

To be assistant surgeons

Charles F. McCaffrey	Earle E. Metcalfe
Alfred L. Smith	Jefferson Davis
Marion E. Roudebush	Joseph M. Hanner
Edward P. McLarney	

To be dental surgeons

James I. Root	Edward B. Howell
Charles C. Tinsley	Francis G. Ulen
Walter Rehrauer	Henry R. Delaney
Philip H. MacInnis	Gunnar N. Wennerberg

To be assistant dental surgeons

Jerome B. Casey	Otto H. Schlicht
Donald L. Truscott	Mallie A. Griffin
Gail T. Curren	Roger V. Chastain
Erling J. Lorentzen	Wilbur H. Pederson
Caryl J. Hoffer	William J. van Ee, Jr.
Lloyd W. Thomas	Stanley W. Eaton
Emeron F. Bachhuber	David M. Fox
Maurice E. Simpson	Kenneth L. Urban

To be pay inspectors

Charles J. Harter	William C. Wallace
Robert O'Hagan	Thomas A. Durham
Charles C. Timmons	William A. Best
Robert L. Mabon	James D. Boyle

To be paymaster

George W. Bauernschmidt

To be passed assistant paymasters

Donald S. Gordon	Ernest C. Collins
John W. Haines	Henry S. Cone
Allan McL. Gray	Milton C. Dickinson

To be assistant paymasters

Burrows W. Morgan, Jr.
John Vinn, Jr.

To be chaplains

Frank R. Hamilton	Carl M. Sittler
Lon P. Johnson	David L. Quinn

To be assistant naval constructors

Allan M. Chambliss	Walter E. Baranowski
Charles H. Gerlach	Edward R. Tilburne
Edgar H. Batcheller	George C. Wells

To be a civil engineer

Archibald L. Parsons

To be assistant civil engineers

Lewis M. Davis, Jr.	James R. Davis
Neil E. Kingsley	Ernest S. Bathke

To be a chief boatswain

Arthur L. Parker

To be chief pharmacists

Russell P. Cunningham	Alfred T. Simons
William A. Washburn	Addie Young

To be lieutenants

Doyle G. Donaho	Richard R. Ballinger
Alan R. Montgomery	William T. Easton
Hugh R. Nieman, Jr.	Eddie R. Sanders
John K. McCue	Bernhart A. Fuetsch
Alan B. Banister	Christian L. Engleman
John C. Alderman	Jack S. Dorsey
George F. Beardsley	

MARINE CORPS

To be colonels

Clarke H. Wells
Maurice E. Shearer

To be lieutenant colonels

William A. Worton
John W. Thomason, Jr.

To be majors

Clyde H. Hartsel
Benjamin W. Atkinson
William L. Bales

To be captains

John B. Hill	Thomas B. Hughes
James R. Hester	Fred D. Beans
William F. Parks	August Larson
William A. Willis	Donovan D. Sult
John S. Holmberg	Norman Hussa
Clarence J. O'Donnell	Henry T. Elrod
James M. Daly	Robert L. McKee
James P. Berkeley	Edward B. Carney
Edson L. Lyman	Austin R. Brunelli

To be second lieutenants

Frank W. Davis	Charles J. Quilter
Charles N. Endweiss	Frank G. Umstead

To be a chief quartermaster clerk

John L. McCormack

POSTMASTERS

INDIANA

Marjorie I. Stevens, Cynthiana.
James J. Littrell, Elkhart.
Gene Harris, Fountain City.
Jane Agnes Quinlan, Holy Cross.
William H. Menaugh, Osceola.
Oscar L. Philipps, Santa Claus.

NEW HAMPSHIRE

Charles B. Weeks, Chocorua.
Carroll N. Young, West Stewartstown.

NEW JERSEY

Frances E. Schmidt, Emerson.
Ernest B. Helmrich, Hopatcong.
Edith B. Brooks, Kingston.

WEST VIRGINIA

Edwin Caperton, Alloy.
William H. Hilborn, Beverly.
Anna S. Been, Camden on Gauley.
Blanche L. O'Dell, Hastings.
George W. Kilmer, Hedgesville.
George L. Carlisle, Hillsboro.
Kerth Nottingham, Marlinton.
Nell Bennett Wolford, Pickens.
George L. Wilcoxon, Tams.
Merle G. Raab, Triadelphia.
Myrtle W. Orndorff, Wardensville.
Thelma P. Forbes, West Liberty.

HOUSE OF REPRESENTATIVES

TUESDAY, NOVEMBER 30, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, our Father, from whom all blessings flow, minister unto us today. Let us pass into that reasonableness and quietness which are so essential to our vocation. We acknowledge our weaknesses and imperfections and fervently beseech Thee to inspire us with the spirit of the Master, that we may deal with all problems in the light of understanding and wisdom. Widen our spiritual horizons and let us feel and hear the call to higher states of being and blessing. Impress us, blessed Lord, that true merit lies in personal effort and sacrifice to make our fellows better and happier. We pray for the eyes of vision and hope, for the arms of faith, and for the feet of obedience. In our Redeemer's name, Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following date the President approved and signed a joint resolution of the House of the following title:

On November 26, 1937:

H. J. Res. 516. Joint resolution to provide for certain expenses incident to the second session of the Seventy-fifth Congress.

EXTENSION OF REMARKS

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a speech I made on November 28 at Valley Forge.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. MAVERICK asked and was given permission to extend his own remarks in the RECORD.

MESSAGE FROM THE PRESIDENT—DISPOSITION OF ROAD FUNDS
(H. DOC. NO. 407)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Roads, and ordered printed:

To the Congress:

By the act of June 16, 1936, the Congress authorized appropriations totaling \$216,500,000 for each of the fiscal years 1938 and 1939 for Federal-aid highways, secondary or feeder roads, elimination of grade crossings, forest highways, roads and trails, and highways across public lands, to be administered by the Department of Agriculture. This act also authorized appropriations totaling \$21,500,000, for each of the fiscal years 1938 and 1939, for roads and trails within national parks, for parkways to give access to national parks and form connecting sections of a national parkway, and for Indian reservation roads, to be administered by the Department of the Interior. Under the first category there has been appropriated to date on account of the authorizations for the fiscal year 1938 a total of \$24,500,000 and under the second category a total of \$13,500,000, or a grand total of \$38,000,000, leaving \$200,000,000 still to be appropriated for that fiscal year. To meet obligations under this \$200,000,000 of outstanding authorizations, I propose to include an estimate of appropriation of approximately \$100,000,000 in the Budget for the fiscal year 1939, with the balance to be provided for 1940. This takes care of the authorizations for the fiscal year 1938 and leaves for consideration the authorizations of \$238,000,000 for the fiscal year 1939.

In view of the large amounts which have been contributed by the Federal Government, particularly during the past 5 years, for the construction of public roads, and because of the necessity for taking definite steps to reduce expenditures for the purpose of securing a balanced Budget, I recommend that the Congress adopt the following policies:

First. Provide for the cancellation of the 1939 authorizations prior to January 1, 1938, by which date the Secretary of Agriculture is required to apportion to the various States \$214,000,000 of such authorizations.

Second. Limit to not more than \$125,000,000 per annum all public-roads authorizations for the fiscal year 1940 and for each of the next few succeeding years.

Since the enactment of the first Federal Aid Highway Act in 1916, there has been appropriated for public highways, including allotments from emergency appropriations, more than \$3,100,000,000, of which amount \$1,490,000,000 has been made available during the last 5 years. This annual average for the past 5 years of \$298,000,000 contrasts with an annual

average of less than \$100,000,000 for the 5-year period preceding the depression.

There is another provision of the existing law relating to public roads which should receive consideration in this connection. The Secretary of Agriculture is required to apportion to the States the annual amount authorized for appropriation, and to approve projects of proposed State expenditures thereunder which shall constitute contractual obligations of the Federal Government, regardless of the availability of appropriations for their payment and of the fiscal outlook of the Treasury. This mandatory provision completely ties the hands of the Executive as to the amount of road funds to be included in the Budget for any fiscal year. While I do not object to the apportionment among the States of such amounts as may be authorized for appropriation, I do most strenuously object to the mandatory incurrence of obligations by the Federal Government under such apportionments without regard to its ability to finance them from its revenues. I, therefore, recommend that the Congress take the necessary action permanently to eliminate this provision of our public-roads law.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, November 27, 1937.

EXTENSION OF REMARKS

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD in response to the message just read, and I may say there will be some difference of opinion.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, it is with some degree of hesitancy that I rise at this time to reply to President Roosevelt's message, but as chairman of the House Committee on Roads I feel that it is my humble duty.

It is evident that President Roosevelt desires to reduce expenditures so that our indebtedness will not continue to increase, for which, of course, he is to be commended. It is also evident that he has been made to believe that large appropriations which have been made for highways could be greatly reduced as one of the elements to bring about the desired result.

The Congress knowingly made the authorizations as they now exist. It has been thoroughly demonstrated during the past 6 years that the money expended for highways has not only given large employment to men who needed the work but the expenditures along this line have added to the wealth of the country to an extent not excelled by any other method of public expenditure.

The President also proposes that following this period, beginning with the year 1940, the entire authorizations for highways shall be limited to \$125,000,000 a year. This would include regular Federal aid, which now is \$125,000,000 a year, and has been the normal program for several years, but it would eliminate the amount we are now trying to give to aid in the construction of necessary farm-to-market roads and the elimination of dangerous railroad grade crossings. His recommendation would also eliminate the amount we feel necessary to build roads in Government-owned territory, such as forest highways, Federal parks, Indian reservations, and public domains.

In addition to this the President says that he is not particularly adverse to the Congress making any authorizations it may desire, but that the law should be changed so that the amounts the States could depend upon for cooperation in constructing projects would be limited to the amount that is appropriated according to the judgment of the President and the Bureau of the Budget as to the funds that could be made available for that period. That, of course, would be like going back to the "horse and buggy" days when road building was an unstable business.

ROAD BUILDING IS AN ADVANCE PLANNING JOB

The method of making authorizations in advance has been considered a sound policy. State legislatures, with rare exceptions, meet every 2 years instead of annually, and they must know what the Federal Government expects to do. Most State highway departments now have an advanced road program outlined but the progress of this plan depends upon finances available and the Federal cooperation must be definitely known at least 2 years in advance.

Many Members of Congress have favored a road-building program of longer than 2 years in advance, but others have felt that each Congress should only authorize funds for a period of time equal to the life of each Congress. And so for many years this policy has been observed with almost unanimous satisfaction.

Grade-crossing eliminations, which have added very materially to the Federal expenditures for highways in the past few years, were undertaken under the demand of the general public and on the recommendation of President Roosevelt himself to rapidly increase the elimination of these hazards because of the great loss of life and property. Subtracting this expenditure from the regular authorization, it may be observed that the Federal portion of road expenditures does not very greatly exceed the amounts provided since 1931.

DIVERSION CLAUSE IN THE HAYDEN-CARTWRIGHT ACT

The diversion-clause penalty provided in the Hayden-Cartwright Act has without doubt kept many State legislatures from seizing gasoline and motor fees to meet general expenditures.

In 1936 the Federal Government received a 1-cent tax on 17,995,500,000 gallons of gasoline. In addition, taxes on the highway user were collected as follows:

Lubricating oil.....	\$28,986,000
Tires.....	38,241,000
Auto excise tax.....	56,476,000
Truck excise tax.....	8,044,000
Auto parts and accessories.....	8,748,000
Total.....	140,495,000
Add gas tax.....	179,955,000
Grand total.....	320,450,000

Should the Federal Government reduce the 1939 authorization, they will increase the Federal diversion by that amount. Even under the present authorization there will be a diversion this year, and gas consumption has also increased.

Why should the Federal Government penalize the States for what she herself is already doing? The reduction of the authorization will make the offense that much the greater.

The only way for the Federal Government to be consistent if she reduces her road authorizations is to likewise reduce the tax on the highway user.

SAFETY

The steady uptrend in traffic deaths is a positive reminder of a lagging highway improvement program. Last year more than 37,000 people were killed on our highways and 1,300,000 were injured. The uptrend in highway use demands a steady program of improvement if the uptrend in the highway death and accident toll is to be reduced.

FEDERAL OBLIGATION

I am afraid that President Roosevelt did not give full consideration to the obligations of the Federal Government when he proposed cancelation of the authorizations for 1939.

Forty-eight States have made detailed plans for highway improvements in anticipation of allotments of Federal aid on the basis of authorizations in the Hayden-Cartwright Act approved on June 16, 1936. If these authorizations are now canceled, it will result in disrupting the State highway organizations, laying off thousands of engineers and other employees, the reduction of contracts, and a sharp decline in material and equipment purchases.

BUSINESS CONFIDENCE

The present greatly improved conditions of the highway industry is based on confidence in the future, confidence in a highway program extending well into 1939, confidence that the Federal Government will not abruptly withdraw from a

responsibility it voluntarily assumed 20 years ago to aid the States in building a connected system of roads, and from definite commitments made by the Congress and the President last year for 1938 and 1939.

On the strength of the orderly program authorized in the first Hayden-Cartwright Act in 1934 there was an immediate business pick-up in the industries connected with road building. Employment increased sharply at the material and equipment plants. Contractors reorganized and started replacing obsolete and worn-out machinery. If Congress and the President now back up and Federal aid funds are now withheld, it is obvious that the reverse will be true; expansion will cease and there will be a general lay-off of employees throughout the industry, even before the program is actually curtailed. Assurance that the road-building program will continue for the balance of this fiscal year does not much help the general effect of this startling proposal.

It is the psychological effect of this proposal that I fear fully as much as the loss to the Nation of vitally needed roads.

WHY MAKE ROADS THE GOAT?

The best illustration we can give to show how vital the road-improvement question is to the common people of this country is the knowledge that our highways every day are being used by almost 29,000,000 automobiles and the number is steadily increasing. While these people using the highways realize that an improved road reduces their cost of transportation, they also realize that there are many other things which the Federal Government is doing that need funds for those purposes. For that reason, should the Congress feel that expenditures should be reduced these people would be willing to share in the reduction of funds for road building, but they also feel that properly constructed highways, which would aid in the transportation of many things necessary for national defense, are at least equal to the necessity for battleships. Our citizens are not going to sit supinely by and permit the funds for expenditure for highways to be reduced while we are increasing our expenditures for other governmental activities. The matter of Federal cooperation in building roads covers a long period of time. It is so well established that many people have taken it for granted, but any proposition to make road construction the "goat" in plans for economy will, in my opinion, receive critical examination on the part of the public, and in that attitude we who have given time and energy toward the legislation on this subject cannot help but agree.

In short, I believe that our present program of Federal expenditure for roads should be continued at least until our present Federal highways are out of the mud and dust. If President Roosevelt could motor over some of the highways in my district, I feel sure he would agree with me on that point.

Mr. JONES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days after the completion of the consideration of the bill H. R. 8505, the farm bill, in which to extend their own remarks in the Record on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE FARM BILL

Mr. JONES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8505) to provide for the conservation of national soil resources and to provide an adequate and balanced flow of agricultural commodities in interstate and foreign commerce.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8505, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

Mr. JONES. Mr. Chairman, I yield 20 minutes to the gentleman from Mississippi [Mr. DOXEY].

Mr. DOXEY. Mr. Chairman, all of us are more or less familiar with the conditions facing this country, especially

with reference to agriculture. I shall not devote very much time to a discussion of conditions. I know that there is not a Member of Congress, either in the House or in the Senate, who is not anxious to do something really worth while and constructive for agriculture. The trouble is and has been that we cannot agree on how to do it.

Various Members of Congress sincerely and honestly, and with a desire to render service to the cause of agriculture, have introduced numerous farm bills. The several farm groups have recommended certain bills and programs. Various agricultural leaders have appeared before our committee and advocated this plan or that plan. However, the record will bear me out when I say that none of them, either individuals, farm groups, or otherwise, have agreed on a general farm program for all agricultural commodities. They cannot even agree on a program for one commodity. Furthermore, there is not an agreement on how to finance the program that they may advocate or propose.

Any legislation as broad and intricate as a general farm bill has to more or less be a compromise. Various groups more interested in one agricultural commodity than in another have to first adjust their different plans and ideas; then the various groups have to meet with others interested in the general program and reach some common understanding as to the general philosophy of the whole program. This all takes time, effort, study, and patience. It is a game of give and take.

It is much easier to talk about a general farm bill than it is to write one that will stand the test in the courts and otherwise.

The House Committee on Agriculture has reported and presented to the Membership of this House for your consideration at this time a general farm bill that we feel is the best we could do under the circumstances. Our committee has been working on it a long time.

The bill does not contain a great many provisions that some of the members of the committee wanted. On the other hand, it contains some provisions that many of us were opposed to in the committee. However, in order to get a general farm bill, some of us yielded here and others yielded there and, after much work and discussion and drafting seven confidential committee prints, the majority of our House Committee on Agriculture agreed to report favorably this bill—H. R. 8505.

We invite free and frank discussion of the bill. It is wide open for amendments and any changes the majority of this House votes to make.

As one member of the committee, I trust that whatever changes and amendments are adopted will make the bill a better and more workable one and be to the best interests of the American farmer.

I am of the opinion that in the final analysis, if and when we enact a general farm bill, the measure finally passed on will have to be worked out in conference between the Senate and the House conferees.

The Senate farm bill (S. 2787) is vastly different to our bill (H. R. 8505). The ground work, machinery, philosophy, and general provisions of the two bills are extremely different and approach the general subject of farm relief from entirely different angles.

However, in order to get a general farm bill enacted, we may be driven to accept the rigid compulsion control features of the Senate bill.

The country as a whole is interested in results. It is up to us as Members of Congress to provide the best ways and means to obtain the most satisfactory results. It is a grave and serious responsibility resting on the shoulders of Congress.

In a general farm bill we cannot legislate just for one section of the country or just for the commodity in which a certain section is the most interested. We have to legislate for all major agricultural commodities and for all sections of the country.

At this time no one knows what kind of a general farm bill will be enacted, and certainly I will not attempt here to discuss the constitutionality of this bill.

Mr. Chairman, the question of how to get the money is a real problem. We all realize that it takes money, and a great deal of it, to successfully finance any agricultural program. With that condition facing us, the members of the House Committee on Agriculture gave patient and careful consideration to all the plans and programs proposed. We felt the responsibility, and we realized it was a grave and serious one that rested upon us, to bring out an agricultural bill national in scope and one which dealt with all agricultural commodities—that is, the five major agricultural commodities—and at the same time based on a sound financial and economic basis. As a result of the thought, the labor, and the ideas of the members of the House Committee on Agriculture, you today have this bill before you—H. R. 8505. During the balance of my time it is going to be my purpose as best I can to explain this bill, but necessarily it will have to be in a general way, as the bill contains 86 pages and 423 sections.

H. R. 8505 is divided into four broad titles. Each title is divided into a number of parts and each part into sections dealing with various and sundry agricultural problems and commodities.

Title I continues and amends the present Soil Conservation and Domestic Allotment Acts. I shall not dwell at this time on the details of title I.

Title II provides for loans on the major agricultural commodities. The ever-normal-granary feature is tied into this section.

Title III covers marketing quotas for the five major agricultural commodities: First, tobacco; second, field corn; third, wheat; fourth, cotton; fifth, rice.

Title IV covers miscellaneous provisions and appropriations. We believe the appropriations in this bill stay within the present soil-conservation program to a great extent. In title IV we provide a vehicle for the reduction of freight rates on farm commodities. I could stop here and make a speech on the dire need for some kind of a reduction in freight rates on farm commodities and point out the great inequalities which exist at the present time. Of course, this is a matter which the Secretary of Agriculture must take up with the Interstate Commerce Commission.

In part 2 of title IV we provide for research laboratories to find new uses and new markets for agricultural commodities. These laboratories are to be spread throughout the United States. For this purpose we provide an appropriation of \$10,000,000 annually.

We also extend indefinitely the life of the Federal Surplus Commodities Corporation. We could talk for some time of the wonderful work this corporation has done. There is no Member of the House, no matter from what section he comes, whether from far California or from Maine, who does not know of some benefits which have been brought to his section in connection with the commodities of that section through the efforts of the Federal Surplus Commodities Corporation. A great part of the funds for this purpose has come from the operation of section 32, about which there has been considerable discussion. We strengthen this provision under title IV of this bill, and I hope I shall have time to discuss with you the ideas and the intention of Congress with reference to the future disposition of funds obtained under section 32.

We not only provide for research laboratories, which is the only direct appropriation contained in the bill, except for administrative appropriations, but we also include provisions with respect to the 3-cent subsidy which was included in the third deficiency appropriation bill in regard to the 1937 cotton crop. The language in that bill provided that the farmer who complies with the 1938 program is entitled to such a subsidy, but the one who does not comply is not entitled to it. We provide in this bill that this subsidy be paid the farmers.

We all know that the most controversial title in this bill, the one which is giving you and has given my committee the most concern, is title III, which contains the marketing-quota provisions for the five commodities considered. Members of Congress and groups of people are naturally more

Cotton—28,000,000 acres prorated on basis of 10-, 5-, 3-, and 2-year average planted acreage, and on basis of planted plus rented acreage—Continued

State	28,000,000 acres prorated on basis of—											
	2-year average (1936-37)				1937 acreage		1933-37 acreage		1937 quota ¹		1937 quota ²	
	Planted acreage	Percent of United States	Planted plus rented	Percent of United States	Planted plus rented	Percent of United States	Planted plus rented ¹	Percent of United States	Acreage	Percent of United States	Acreage	Percent of United States
	1,000 acres		1,000 acres		1,000 acres		1,000 acres		1,000 acres		1,000 acres	
Alabama.....	2,107	7.53	2,216	7.91	2,185	7.80	2,222	7.94	2,246	8.02	2,241	8.00
Arkansas.....	2,518	8.99	2,405	8.59	2,338	8.35	2,339	8.35	2,295	8.20	2,295	8.20
Florida.....	88	.32	90	.32	93	.33	92	.33	94	.34	94	.34
Georgia.....	2,124	7.59	2,184	7.80	2,155	7.70	2,165	7.73	2,200	7.86	2,197	7.85
Louisiana.....	1,272	4.54	1,258	4.49	1,234	4.41	1,241	4.43	1,238	4.42	1,236	4.41
Mississippi.....	2,742	9.79	2,692	9.61	2,631	9.40	2,639	9.42	2,619	9.35	2,616	9.34
Oklahoma.....	2,232	7.97	2,470	8.82	2,548	9.10	2,624	9.37	2,708	9.67	2,702	9.65
South Carolina.....	1,315	4.70	1,327	4.74	1,300	4.64	1,306	4.67	1,301	4.65	1,299	4.64
Texas.....	10,747	38.38	10,571	37.76	10,636	37.98	10,702	38.22	10,742	38.36	10,726	38.31
Southern region.....	25,145	89.81	25,213	90.04	25,120	89.71	25,330	90.46	25,443	90.87	25,406	90.74
Missouri.....	391	1.40	365	1.30	384	1.37	330	1.18	289	1.03	292	1.04
Virginia.....	51	.18	52	.19	55	.19	55	.20	56	.20	55	.19
North Carolina.....	882	3.15	937	3.35	943	3.37	956	3.42	969	3.46	968	3.46
Tennessee.....	766	2.74	762	2.72	734	2.62	742	2.65	723	2.58	722	2.58
New Mexico.....	110	.39	107	.38	111	.40	99	.35	90	.32	90	.32
Arizona.....	206	.73	187	.67	202	.72	168	.60	162	.58	168	.60
California.....	425	1.52	355	1.27	430	1.54	300	1.07	248	.89	279	1.00
Others.....	24	.08	22	.08	21	.08	20	.07	20	.07	20	.07
Total.....	28,000	100.00	28,000	100.00	28,000	100.00	28,000	100.00	28,000	100.00	28,000	100.00

¹ Based on simple average of current base, 1933-37 planted plus rented acreage and the highest of the 3 years (1935-37).

² New growers acreage based on percent change of planted cotton acreage from 1935 to 1937.

³ New growers acreage based on percent change of planted cotton acreage from 1935 to 1937 and adjusted for percent change of each individual State to the United States average.

Mr. DOXEY. The State of Mississippi, say, gets a 2,000,-000-acre State allotment, then the necessary allotment out of that amount will be made to each county or each local area.

I may say right here, frankly, that in committee I thought the provision was in the bill, and I think the chairman will bear me out in the statement, that this county allotment is to be on tilled acreage, just like the farm allotment, in order that the counties that have been diversifying will get their proportionate share of the cotton acreage in the county allotment. So if there may be any doubt about it, I think I can speak with authority in saying that this was the intention of the committee. Now, for instance, take my home county of Marshall, it would be allotted more than 20,000 acres, but for the purpose of illustration let us say that out of the 2,000,000-acre State allotment the county of Marshall is allowed 20,000 acres under the State of Mississippi allotment. This all sounds easy but the trouble is going to come later when we get to the individual farm allotment. We hope there will not be any dissatisfaction but this may be a vain hope. In any event, we want to make it as practical and as reasonable as possible. We have tried to work the allotment out on a tilled-acreage basis. We have tried to work it out in the same way, whether it is for 1 farm or 5,000 farms in that county, and in any event it is an acreage allotment. Using 20,000 acres as an illustration for the county allotment, then suppose you have 40,000 acres of tilled land in that county and you will always have more tilled land in your county than you are going to have acre allotments, here is the way it works as to allotment to the individual farmer: Twenty thousand acres is one-half of 40,000 acres, or 50 percent, and 50 percent is the percentage that each farm will be cut. In other words, there will be a general 50 percent cut in the tillable acreage. Each farm will have the same percent reduction. If you have a farm of 500 acres and I have a farm of 1,000 acres of tillable land, the percentage of the cut is the same and 50 percent comes off the 1,000 acres and 50 percent comes off the 500 acres.

This is the formula or the yardstick that is set up in this bill.

When the individual farm allotment is made, then we have a provision here, and I will say frankly I do not know whether it is the proper figure or not, that the allotment of the State will be reduced by 5 percent. In other words, it will be a 95-percent allotment, and the same thing is true

of the counties, because 5 percent will be withheld for two purposes. One purpose will be that 2½ percent will go for the use of lands that have not heretofore been put into cultivation. Under certain conditions, like those in Missouri and in certain drainage districts, we do not want to encourage new lands being put into cultivation, but 2½ percent is set aside for that purpose, for new lands already prepared for cultivation, although there will be many, many sections and many States and counties that will not use the 2½ percent, because they have not such a condition. However, we provide an additional 2½ percent that will go to the small farmer; that is, the farmer whose acreage allotment does not exceed 15 acres.

This is some help for the small farmer, and we provide further that in counties or areas where they do not need this 2½ percent to be put to uses for new land, that it is to be used for the benefit of the small farmer in addition to the other 2½ percent. That makes 5 percent additional allotment of acres to small farmers.

I know there will be a lot of amendments offered from the floor. This question regarding exemptions to small farmers we have always had before us. We had it in the consideration of the original Bankhead bill, and the Doxey bill secured for the small farmer a two-bale exemption. It took a long time and much hard work to secure any exemptions for the small farmer under the old Bankhead bill.

In this bill (H. R. 8505) our committee has endeavored to provide certain exemptions for the small farmer, and we have had to employ the percentage method. I sincerely trust that the 2½ percent herein provided will give to the small farmer a fair and reasonable exemption to which I know he is entitled.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I yield 10 additional minutes to the gentleman from Mississippi.

Mr. GEARHART. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. Yes; with pleasure.

Mr. GEARHART. Referring to the formula set up in section 365 (A) of the bill, it provides, in effect, that after the national allotment has been fixed, it shall be apportioned among the States on a 5-year history basis. May I inquire as to the number of acres devoted to cotton this year in the State of Mississippi?

Mr. DOXEY. I have a table here, and if the gentleman from California will permit, it is going into the RECORD, and it will explain all of that. It will give the figures for California and every cotton State, and it will show what California will get; but if I go into a discussion of that table now, then there are some other features of the bill I shall never get to. I want to be entirely courteous to the gentleman, and I refer him to this table.

Mr. GEARHART. I am told that if the national acreage allotment is fixed at 28,000,000 acres, California will be cut from about 618,000 acres down to 297,000 acres, or about 55 percent; and that the gentleman's State, Mississippi, will be cut from about 2,674,000 to 2,000,000 acres, or about 25 percent.

Mr. DOXEY. I can tell the gentleman what California has and what it will get, and then he will know what the State will be cut. Under the 5-year average, California will get an allotment of 238,000 acres to put into cotton, under the 28,000,000-acre national basis.

Mr. GEARHART. And this year we have 618,000 or 620,000 acres in cotton. The application of the formula set forth in section 365 A will require the reduction of California's 1938 crop to that which can be produced on 297,000 acres?

Mr. DOXEY. Yes. You raise a lot of cotton per acre in California.

Mr. GEARHART. That is a cut of about 55 percent. The States in the old deep South are not cut more than from 25 to 30 percent. Can that inequality of opportunity be defended?

Mr. DOXEY. I shall put this table into the RECORD so the gentleman can see. We hope it is fair and reasonable.

Mr. GEARHART. What I desire to ask the gentleman is whether he thinks it is fair to cut California 55 percent and to cut the deep South States only about 25 percent?

Mr. DOXEY. We have been using cotton acreage, and that is the basis that we are working on. We cannot say that anything is going to be entirely satisfactory when it comes to dealing with vastly different commodities grown in vastly different sections of the country; but if the gentleman can show a better way, if it suits California and will also suit Georgia, then we will try to get together and work out a formula, but we want to bring these facts to the House so that when it comes time and the gentleman wants to amend it, it is all right with us, if it is the right kind of an amendment.

Mr. DOCKWEILER and Mr. TARVER rose.

Mr. DOXEY. Just let me proceed for a few minutes and then I shall be glad to yield. Gentlemen, you have heard a lot of talk about marketing quotas for cotton. The marketing quotas in respect to cotton do not go into effect for the year 1938. Along about August 1st or before that time, the Secretary of Agriculture begins to think about the total supply with reference to the normal supply of cotton. If the total supply exceeds the normal supply in his judgment by 15 percent, he will then, by November 15, announce that a referendum will be held with reference to cotton. Then he orders a referendum participated in by every farmer who is given a quota under the provisions of this bill. In that referendum all quota farmers are entitled to vote. The result of the referendum is announced before December 15. If one-third of those participating in the referendum, vote against it, there will be no marketing quota with reference to cotton, and we are talking about cotton now. Yet, if the marketing quota election carries and the next year after it goes into effect, war breaks out, or some emergency arises, and the Secretary of Agriculture in his judgment feels that we do not need the marketing quota, he then can remove it. We are trying to adjust the commodity to the conditions that we know, not what tomorrow will bring forth.

The penalty in the marketing quota is 2 cents a pound, but that penalty does not apply to that farmer who complies with the program who stays within his acreage allotment. It applies to the man who plants more acreage than he should, and the amount he raises on that additional acreage is assessed 2 cents a pound, and it is to be collected

in the usual way. There was some comment yesterday about it not being collected from the producer but from the buyer, but my distinguished friend from Minnesota knows that we can collect it from either one; that is left to the Department as an administrative matter. After all, it goes into the general Treasury and only one penalty can be collected.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. In a moment, please. After the marketing quota, the next feature you might want to know is, if a farmer is dissatisfied, what can we do? We have given him more latitude, under this arrangement from what he had under the previous program. We say, if you are dissatisfied with the acreage allotment given you by your local committee you can appeal. There is set up a review committee, not composed of any membership of the local committee at all, but just a review committee of farmers of your county who know you and who are familiar with all of those circumstances; you appeal to this review committee and present your claim, and they can overrule the action of the local committee. But suppose the review committee affirms the local committee, then there is no other way provided except that the man who is aggrieved can go by petition into the court and if he shows additional facts and if there is any additional evidence, the court can refer the case back to the review committee, with orders to do justice as far as possible. The court passes only on the legal questions—not the facts. All acreage allotments are open to the public. Every farmer can know the allotments given other farmers in his county.

Now, briefly, that is the machinery; that is the mechanics; that is the set-up that we have provided in this bill for cotton. We have done the best we could.

Now I will be delighted to yield to the gentleman from Georgia.

Mr. TARVER. I did not understand clearly what the gentleman said with reference to the allocation of the State quota within the State and between counties. Did I understand the gentleman to say that would be done on a tilled acreage basis?

Mr. DOXEY. That is what we do as to counties. We had an amendment to that effect in the committee. I understood it was adopted. I do not know whether this bill can be interpreted in that way or not.

Mr. TARVER. I have in mind my own State. While that State is one of the largest cotton-producing States, many counties produce no cotton at all. Does the gentleman mean that to those counties there will be an allotment of acreage?

Mr. DOXEY. Oh, no. They must have raised cotton for 5 years. If it is 1 year, the basis is the ratio of one to five. If the farmer is allotted cotton acreage and he does not want to plant it in cotton, then we give him 25 percent in excess, as an inducement to raise whatever else he wants to raise. We are not encouraging him to raise cotton.

Mr. TARVER. I am not talking about allocations between individual farmers. I am talking about allocations between counties. As I understand the gentleman, the allocation of a State's quota as between counties would be made upon the basis of tilled acreage, without regard to the previous record of that county in cotton production. Is that true or not?

Mr. DOXEY. Did the gentleman ask the question whether it is tilled acreage or baleage?

Mr. TARVER. No.

Mr. DOXEY. Because the philosophy is tilled acreage, as to cotton. That does not apply to some of these other commodities. In committee we had some trouble as to the formula for county allotments.

Mr. TARVER. In that event, in counties in which no cotton is being produced, they will never have such allocation?

Mr. DOXEY. No, sir. They are not in the picture.

Mr. TARVER. Then I do not understand the gentleman's explanation. It may be entirely my fault.

Mr. DOXEY. I am not going to be able to tell you how it will be administered, except from what conversation we

have had with the Department and others, but if there is any doubt about it, we will try to work it out.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. I yield; gladly.

Mr. MAY. As the gentleman from Mississippi possibly knows, I come from a district where we do not grow a pound of cotton. In yesterday's RECORD the chairman of your committee, in a very able speech, was asked a question by the gentleman from Texas [Mr. LANHAM] with reference to these quotations, and I quote from page 465 of the RECORD:

Before a quota could possibly be voted, even by the farmers, there would have to be a supply of about 20,000,000 bales, and there certainly would not be any price that would forbid it going into export.

As I understand it, last year's crop, about 18¼ bales, is the largest in the history of this country?

Mr. DOXEY. That is correct.

Mr. MAY. If the quotas do not apply until there are 20,000,000 bales, how is this bill going to affect the cotton crop?

Mr. DOXEY. We just will not have any quota, that is all.

The CHAIRMAN. The time of the gentleman from Mississippi has expired. [Applause.]

Mr. HOPE. Mr. Chairman, I yield 1 hour to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, on yesterday some reference was made by several of those who addressed the House to an amendment that I shall offer at the proper time during the consideration of this bill. The gentleman from Minnesota [Mr. ANDRESEN] referred to the amendment and made note of the fact that the minority report filed by himself and other minority members of the Committee on Agriculture recommended the adoption of that amendment.

I shall also call the attention of the Members to the fact that in the minority report signed by myself, and which appears on the last page of the report, you will find a copy of that amendment.

I want to direct my remarks this afternoon to a discussion, not only to the importance of this amendment from the standpoint of protecting the interests of those farmers who are not singled out in this bill for special favor, but to what I believe to be the reasons which should justify the Membership of this House in adopting that amendment.

We Members from Northern States, particularly from the dairy sections of this country, have, whenever this House has been considering legislation, the purpose of which was to give aid and assistance to the farmers producing certain agricultural commodities, given our support. We have given our support to all legislation designed to help out the cotton farmer. We are supporting all legislation designed to help the wheat farmer and the corn farmer and the rice farmer and the tobacco farmer. I submit to you that on some of those occasions when votes were needed on this floor, and when the question was closely divided in Committee of the Whole House on the state of the Union, on questions affecting the interest of the wheat, corn, rice, and tobacco farmers of this country, it was the Representatives from northern dairy States who came to the support of the farmers of all other sections of the country, and supported legislation that would give you the program you desired for your farmers. We have demonstrated throughout these years our willingness to cooperate. We supported the Agriculture Adjustment Act. We supported, in large numbers, the so-called Bankhead Cotton Control Act. I submit if it had not been for many of the northern Representatives the Bankhead Cotton Control Act would not have been enacted, and I doubt very much whether it would even have been reported from the committee.

We have on all occasions tried our best to cooperate with you. We have gotten very little out of the program. Very little has come to us in the form of a direct program. Although dairy products were incorporated in the provisions of the A. A. A. as a basic commodity, a commodity which the Department of Agriculture could have treated as a basic commodity and for which an adjustment program was authorized, nevertheless under all the years of the A. A. A. there

was no dairy program. All during that same period there was a program under the A. A. A. for cotton, for wheat, for corn, hogs, tobacco, and all these other commodities, but not for dairy products.

Dairy products were not included in the A. A. A. program, and, therefore, received no direct benefit as a result of the operation of the Agricultural Adjustment Act. Oh, yes! My distinguished friend, the gentleman from Michigan yesterday—I do not see him on the floor at the present time—said that agriculture had benefited greatly. I want to reply to his statements; and I want to say to the Members that I advised him last evening that I intended to address my remarks at some length with reference to his remarks on the floor yesterday and that I would endeavor, in my humble way, to answer some of the suggestions, remarks, and arguments advanced by him. After the House met this morning I had a page boy telephone his office to again tell him I intended to answer him this afternoon. I wanted him to be here because I want to talk about his speech. He declined to yield to me yesterday. Some of the things he said yesterday I believe could have been threshed out and some valuable information could have been given to the House had he cared to yield, but he steadfastly refused to yield in spite of the fact that remarks he made regarding some members of the Committee on Agriculture, and the gentleman who is addressing the House at present in particular, I believe warranted his yielding in order that the statements made by him could have been cleared up and elaborated upon.

The gentleman from Michigan yesterday referred to the fact that dairy products received substantial benefits as a result of the operation of the Agricultural Adjustment Act. He said that during the years 1932 to 1936, when this program was in effect, that the income of the dairy farmer of this country had increased 43 percent; and he said that in the State of Wisconsin during the period from 1932 to 1935 the income of the dairyman had increased 41 percent. He used that as an argument to indicate that the dairymen of this country had been given substantial benefits as a result of the operation of the Agricultural Adjustment Act. I submit to you that there is absolutely no justification for assuming that the increased price paid for dairy products was the result of the operation of the Agricultural Adjustment Act unless you are willing to admit that the stocks and bonds that some gentlemen had in 1932 that were practically worthless at that time but which increased 1000 percent in value—unless you are willing to admit that the Agricultural Adjustment Act brought up the prices of those stocks and bonds. Everything went up, my friends. The entire commodity market had a substantial increase. Whereas other commodities increased double, triple, and sometimes five and six times, dairy products increased in value only a little over 40 percent. Bear in mind that in the year 1932 dairy products were at their lowest level. The average price paid for butterfat in 1932 was 17.9 cents per pound. Think of it; 17.9 cents per pound for butterfat!

Because of the fact that there was an increase in price from 1932 to 1936 which the gentleman from Michigan said resulted in an increased income of 41 percent, he said that the dairymen of this country received benefit as a result of the Agricultural Adjustment Act.

I say to you, my friends, that in the same period when the gentleman said dairying received such benefits from the Agricultural Adjustment Act, a period when he said such benefits came to dairying by reason of an increase of 41 to 43 percent, cotton increased in value from 5.7 cents per pound to 12.3 cents per pound, or an increase of approximately 120 percent as against 41 percent for dairy products. During the year 1931–32 corn sold for 32 cents a bushel. In the year 1936–37 the corn crop sold for 99.3 cents per bushel, an increase of over 200 percent. And he said dairying was materially helped because we got an increase of 41 percent to 43 percent! During that same period wheat increased in price from 39 cents a bushel to 99.7 cents a bushel, an increase of approximately 150 percent.

The gentleman from Michigan said that he was in a strategic position. Yes; I recognize the fact that he has been in a strategic position with reference to this dairying situation. Those of us from the dairy sections of this country know his section of the country and know that they do not have very much farming there. We know also that what farming they do have there is almost entirely dairying; and he has been in a strategic position. At one time during the deliberations of the Committee on Agriculture his support of the so-called Boileau amendment would have been of tremendous benefit to the dairy interests of this country. Yes; he has been in a strategic position, but that should not, in my judgment, justify him in taking the position he has taken.

Mr. AMLIE. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield to my colleague.

Mr. AMLIE. I just wish to call attention to the fact that merely because the dairy farmer received an increase of 41 percent does not mean that that was a net increase, because he had to pay higher prices for the feeds he purchased.

Mr. BOILEAU. I thank my friend for bringing out that very important fact. During the period when there was this slight increase for dairy products there was a tremendous increase in the cost of the feed that dairy farmers in my section found it necessary to purchase.

Mr. STARNES. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. STARNES. Will the gentleman state whether or not there was a corresponding decrease in the price of dairy products in 1932 as compared with other commodities?

Mr. BOILEAU. Yes. Butterfat went down to 17.9 cents per pound. The decline of farm commodity prices affected those engaged in dairying more than other farmers, because producers of other crops do not have to purchase feed and maintain all the expensive equipment that goes with the operation of a dairy farm.

Dairy farmers must have expensive cattle and fine barns to keep the cows warm and contented—they must buy expensive equipment. Why, a dairy farmer selling dairy fat at 17.9 cents a pound is much worse off than the cotton farmer who sells his cotton at 5.7 cents a pound. [Applause.]

Mr. TOBEY. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from New Hampshire.

Mr. TOBEY. The gentleman from Wisconsin [Mr. BOILEAU] is referring to a speech made by the gentleman from Michigan [Mr. Hook] one of our colleagues on the committee. In the speech referred to by the gentleman from Wisconsin, the gentleman from Michigan stated:

We are interested in this bill not only from the standpoint of the farmers but from the standpoint of the consumers. If cheaper milk can be brought about by the growing of more grasses and legumes, then let us have cheaper milk, so that we can give an adequate amount of milk to the children in the schools of America to which they are entitled and not have the under consumption that exists today. What we need is more milk and less cry with reference to reducing the amount of milk.

How inconsistent is the gentleman from Michigan, because the whole philosophy of this bill, which he is in favor of, is to raise prices by control of production; is that not correct?

Mr. BOILEAU. Absolutely. The gentleman from Michigan [Mr. Hook] believes in protecting the consumers when it comes to milk by reducing the price of milk, and then he rises on the floor of this House and advocates a principle which provides: "You must raise the price of cotton, you must raise the price of wheat, corn, rice, and tobacco," crops which are not raised in his district. I cannot understand the philosophy of a Member who will get up here and say that the way to help the dairy farmers is to produce cheaper milk and at the same time advocate a bill that attempts to increase the price of other agricultural commodities which are grown in other sections of the country. I just cannot understand that kind of philosophy. If higher prices are good for some farmers, higher prices should be good for dairy farmers.

Mr. Chairman, I have been in the country from which the gentleman from Michigan [Mr. Hook] comes. I was born and raised in the northern part of Wisconsin. The gentleman from Michigan comes from the northern peninsula of the State of Michigan. As I stated, I have been up there in his district. I know that country up in his part of the State. So far as the extreme northern part of Wisconsin is concerned, if you want recreation, if you want a fine summer vacation, if you want to catch fish—and I know several Members of the House have been there—if you want beautiful lakes and a nice rest, there is no place in God's world that can compare with northern Wisconsin.

Mr. TOBEY. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from New Hampshire.

Mr. TOBEY. The gentleman evidently has never been up in New Hampshire.

Mr. BOILEAU. I am going to visit that State very soon. I understand New Hampshire is very beautiful also.

In the northern section of Wisconsin there are some dairy farms. That is, we have some people up there who attempted to operate dairy farms. I refer to the extreme northern part of the State of Wisconsin which adjoins that district which the gentleman from Michigan represents. There have been a few who have tried to do dairy farming up there and they have found they could not make any money because it is not good farm land. The gentleman from Michigan represents a district with practically the same type of land, and dairying has not been an important industry. The principal industry up there is mining. He has the Michigan iron range in his district.

For this reason he has not much of any kind of farming. However, what little farming there is in his district is primarily dairying, and what few farmers are still trying to eke out an existence in agriculture are primarily dairy farmers. Therefore I just cannot understand the position he took here yesterday when he said that it is a fine thing for the dairy industry to have a low price for dairy products. I cannot understand a philosophy which advocates that the way to help the dairy farmer is to make milk cheaper. The gentleman gets up here and says, in effect: "I am going along with you in a program that says that the way to make cotton farming, wheat farming, and corn farming profitable is to raise the prices of such commodities, but the way to help dairy farmers is to reduce the price paid them for their products." What kind of sense does that make?

The gentleman makes the further statement that those of us who have been talking about this proposal, those of us who have been opposed to dislocating the entire agricultural picture, have been misleading you. He makes the statement:

By the way, when they tell you that all of these acres will be planted in grasses and legumes, they are misleading you because of the fact that woodlands are also included in the conservation program.

Let us be fair and honest about this thing. How many of you cotton farmers have actually received any money from the Federal Government under the soil-conservation program from acreage planted to forests? I do not see anyone rising. How many of you wheat farmers have received money under such circumstances? No one rises. How many corn, tobacco, or rice farmers have received money under the soil-conservation program of the Department of Agriculture for not growing those crops and going into the production of forests instead? There has been no important change of farm lands to forests under this program.

In the very next paragraph he quotes from H. R. Tolley, Administrator of the Agricultural Adjustment Administration, who outlined what happened to the acreage taken out of production of the five crops. If you will read that statement on page 474 of yesterday's RECORD you will find that Mr. Tolley stated what has happened in the past with reference to these 53,000,000 acres that were taken out of the production of these commodities and you will find he does

not mention one single acre that went into forest production. So what is the gentleman from Michigan trying to do? He says we tried to mislead you. What is he trying to do when he makes such statements as that?

He also stated:

Can it be that my colleague—

Referring to me—

knows so little about dairying that he does not comprehend that the production of meat and milk is placed on a more efficient basis by a shift to more legumes and grasses?

In other words, he suggests that I do not know we would have a more efficient dairy industry if we shifted your commodities, cotton, wheat, rice, and tobacco, into grasses and legumes. I submit if that is efficiency, it is the kind of efficiency I do not want. I do not believe the Members of this House are willing to be so efficient that you want to shift the natural economy of this country to such an extent that you will demoralize the dairy industry of the Nation. I do not believe you want to do that. We ask you to give us the same fair consideration and treatment you have a right to ask of us.

I continue to quote from the gentleman's remarks:

Increasing pasturage and properly cured roughage in the rations for livestock not only lessens the cost of production but improves the quality of milk and meat, safeguarding the health not only of livestock but of those who consume the livestock products.

In other words, he states that increased pasturage and increased roughage, for which this bill provides, lessen the cost of production, which means that a lower price is received for the roughage crops. I submit that his own words throughout his entire argument are conclusive that he believes the way to help the dairy farmer is to give him more competition; that he believes the way to help the dairy farmer is to have a lower price for milk, and that he believes the way to help the dairy farmer is to run him out of business, because he could survive under the provisions of this bill.

The gentleman further states:

Of course, grasses and legumes are feed crops, but as a class they will not produce nearly as much of total feed units as the 40,000,000 acres planted to corn, wheat, and cotton.

This may be true, but may I call your attention to the fact that the lands which are today used for producing grain corn, the lands used for the production of tobacco, and the lands used for the production of rice, wheat, and cotton are not lands which are normally used for dairy production. These 40,000,000 acres are put into a new field when you plant them to grasses and legumes, because you cannot use crops harvested from grasses and legumes for any purpose other than the feeding of livestock. Essentially these crops are a feed for dairy cattle, because, as the distinguished gentleman from Michigan points out clearly, grasses and legumes, alfalfa and clover, produce the finest kind of milk. These forty or fifty million acres which, under the operation of the soil-conservation program and the program under this bill, will be planted with grasses and legumes, unless we restrict their use, will undoubtedly be used to produce dairy products in great volume and will create a surplus of dairy products in the country, so that in 5 or 10 years we shall be placed in exactly the same position the wheat and cotton sections of the country are today.

We shall be on a surplus basis. We shall have to sell our butter and cheese upon the world market. You then will have to do for us, if you want to be fair, just what you are asking be done for you in this bill. In other words, we shall have to come to you and ask you for a law which will reduce the production of our commodities, so we shall not have these burdensome surpluses. We do not want to do that. We can work along quite nicely if we are not forced to compete with subsidized competition. We want to continue as best we can to remain within the domestic market requirements. We do not want to be on a surplus basis, because we know competition on the world market will be as disastrous for us as it is for wheat and cotton at the present time.

LXXXII—35

The gentleman from Michigan states further:

If cheaper milk can be brought about by the growing of more grasses and legumes, then let us have cheaper milk.

We from dairy sections do not object to the farmers from any section of the country getting into the dairy business, provided they do so under their own power. We do not object to the cotton farmers expanding their production of dairy products, if this is a natural and normal process, and done without Government subsidy. We do say, however, that we have a right to complain, and we do complain very seriously when the South proposes to go into the dairy business with a Government subsidy. It is not fair, it is not right, it is not honorable for cotton farmers to ask the taxpayers of the United States to pay them money so that they can compete with us in the dairy business.

Mr. BEAM. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield to the distinguished gentleman from Illinois.

Mr. BEAM. I am much interested in what the gentleman has stated, and I wonder if he has any statistical data with which he could supply the membership of the House showing any parts of the country which have entered into the dairy business under subsidies or governmental grants.

Mr. BOILEAU. I thank the gentleman. I have in my hand a photostatic copy of an article which appeared in Dairy Produce, a magazine published in Chicago, under date of October 30, 1937. The article to which I refer is entitled "Southern Dairy Potentialities Emphasized at New Orleans Exposition."

In October of this year a large dairy exposition was held at New Orleans, where there was demonstrated all new types of dairy equipment. The theme of those who spoke at that conference, exposition, meeting, convention, or whatever you may call it, was that the South is increasing the production of dairy commodities and should continue to expand its dairy production. There were some professors speaking there.

Among the speakers at the exposition were Prof. W. H. E. Reid, of the University of Missouri, and Prof. A. C. Burke, of Alabama Polytechnic Institute. These gentlemen brought out very clearly that not only has there been an expansion in the South of the dairy industry in recent years but that the natural trend would be toward the expansion of dairying in the South. They urged the cotton farmers particularly of the South to go into the dairy business.

I am going to read some excerpts from this article, which begins as follows:

Utilizing the Dairy Industries Exposition as an appropriate backlog, dairy educators made a perceptible effort to further arouse southern sentiment for dairy expansion and improved methods last week in New Orleans.

To lend impetus to the Dixie dairy movement was the long-range purpose in staging the big machinery and equipment show in the South this year.

Then continuing further:

Further potentialities of opportunities in southern dairying was the theme dwelt upon by practically all speakers.

Then down a little further:

That dairymen will share the future with cotton as the mainstay of southern agriculture was the prediction most confidently made by several dairy authorities from the Southland.

Then getting down to the specific point that the gentleman from Illinois [Mr. BEAM] has inquired about:

While the dollar value of cotton production in 14 Southern States dropped from \$1,226,568,000 in 1926 to \$834,372,000 in 1935, the value of milk production in these States during the same period advanced from \$155,501,000 to \$193,765,000.

Bear in mind also this is the dollar value of dairy products and the price was not as high in 1935 for butterfat as it was in 1926, so that the production must have been tremendously higher in the quantity produced.

Then let us go on a little further with this statement:

Diversification of farming between cotton production and milk production is better agricultural planning than that of Federally sponsored benefit payment, contended Prof. A. C. Burke, of Alabama Polytechnic Institute.

In other words, this professor of Alabama Polytechnic Institute, Professor Burke, states that if you in the South will diversify that is better farming than getting Federal aid and assistance. So cotton producers are better off diversifying even if you do not get Federal assistance. If he believes in that, and cotton farmers believe in that, why do they not go ahead and diversify without asking for a subsidy that will enable them to have an unfair advantage over us.

Then down a little further in this article it is stated:

As proof that dairying properly supplements cotton raising, Professor Burke declared cottonseed meal is an ideal feed for cattle, that livestock farming retains fertility of the soil, and that southern agriculture has enough surplus labor to care for 400,000 more cows.

If that is the situation, why do they not go ahead and build up their dairy industry without a Federal subsidy or else give us the same financial assistance. We are not asking for anything we are not entitled to. Have the cotton farmers a right to believe that they are a special group entitled to a special benefit which they deny other parts of this country? I do not contend that any group of American citizens are entitled to any bounty from the Federal Government to make it easier for them to compete with American citizens in another group.

Now, let me give a further specific answer to the gentleman from Illinois, and I may say to you that the gentleman from Illinois, a member of the Committee on Agriculture, has been very sympathetic to the needs of the dairy industry, and for one I wish to thank him for the sympathetic understanding he has demonstrated on the committee, not only in the consideration of this bill, but all bills that come before the Committee on Agriculture. Although coming from a city district he has been willing to lend his support to all types of agriculture, but I have noticed that he has not permitted himself to be stultified to the point where he would help one group of farmers in a way that would result in the destruction of another group of farmers.

Here is a further quotation in the same article from Professor Burke:

The trend of production of manufactured dairy products is toward the South," he said, presenting figures to show that butter production in the 13 Southern States has increased from 38,900,000 pounds in 1920 to 129,000,000 pounds in 1935, or an increase of production of more than 300 percent in the cotton States, and in the same period "the amount of cheese from 173,000 pounds in 1920 to 42,000,000 pounds in 1935.

Is it any wonder, Members of the House, that we of the dairy sections of this country are apprehensive over the fact that in a certain section of the country you propose by Federal subsidy to stimulate the expansion of an industry which in years past has been our principal industry?

Ah, my friends, we do not mind having dairy cows milked down there in the South, but we do not want the South to milk the dairy industry. We do not want you to carry on this program with a Federal subsidy.

Mr. WEARIN. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Iowa.

Mr. WEARIN. Could the gentleman give us any facts or figures with reference to the percentage of increase of dairy products in the South that have gone into interstate commerce?

Mr. BOILEAU. I am sorry I have not those figures, but I would say to the gentleman that it does not make any difference when you start talking about butter and cheese, because when we come to butter and cheese, they are not strictly perishable commodities because under modern refrigeration they can be stored, and every pound of butter and cheese produced down there is in direct competition with the butter and cheese produced in my district.

I submit to you that the amendment we propose does not restrict the farmer from producing all of the milk he wants to, provided that milk is consumed on his farm and not put on the market for sale. If it is desired to build up the standard of living of those people who live on the farms, well and good. We want to encourage that, and we say that the South

can go into the dairy business all it wants to, but if it does increase its dairy production it must forego any right to a Federal subsidy to aid it in competing with us.

Mr. McKEOUGH. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Yes; I shall be glad to yield to the gentleman.

Mr. McKEOUGH. I wonder if the gentleman's study of the problem, particularly as it relates to the expansion of the dairy industry in the South, has developed that the expansion of that industry compares favorably with the progressive State of Wisconsin in the matter of the wages paid for those who labor in it.

Mr. BOILEAU. I thank the gentleman for that observation. I am sure it would not be necessary for me to go into that subject at any length. I have not compared the figures, but everybody knows very well that the wage scale in Wisconsin is extremely high as compared with the wage scale in the other sections of the country that I have referred to.

Mr. McKEOUGH. And incidentally the health protection laws in the State of Wisconsin are very progressive.

Mr. BOILEAU. I think even the most ardent admirer of the South will admit that Wisconsin far excels any State in that section in regard to social legislation.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. MICHENER. I am from Michigan and I happen to come from a dairy district and not the type of country described by the gentleman from Wisconsin when he referred to another gentleman from Michigan. I compliment the gentleman from Wisconsin on the floor for his splendid defense of private industry, whether it be the dairy industry or any other industry, and I express the hope that when other industries than our dairy industry are interfered with by Government subsidy and competition, that our good friend, who is so eloquent and forceful on the floor, will rise to the defense of the principle that he has so well enunciated here today. I shall support the gentleman's amendment in behalf of the dairy industry.

Mr. BOILEAU. I thank the gentleman for bringing that to the attention of the House, but I wish to say that I do not desire now to enter into a discussion of that point. As far as private industry is concerned, I will go as far as the gentleman will in its protection and will try to preserve it except when it comes to those industries that are vested with a public interest, such as public utilities, which I believe should be either owned or rigidly controlled by the Government.

Mr. MICHENER. Will the gentleman yield for a further question?

Mr. BOILEAU. I do not want to yield further on that point. I refuse to yield to the gentleman any further along that line. That is not the subject of my discussion today.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Yes; I shall be glad to yield to my good friend from California.

Mr. CARTER. I regret that I missed part of the distinguished gentleman's address, but I understand that he proposes to offer an amendment making this bill apply to the dairy industry.

Mr. BOILEAU. The force of my amendment is to provide that except for land, the products of which are to be consumed on the farm and by the farmer and family, no benefit payment shall be given to producers of these five commodities if they take those lands and go into competition with other farmers by growing other crops for the market. It seems to me that that is just and that it is a sane amendment and I do not see how anybody can deny the justice of it.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Yes, with pleasure.

Mr. CULKIN. Has the gentleman any definite figure as to the increase in the number of dairy cattle in the South under the A. A. A., and since?

Mr. BOILEAU. Yes.

Mr. CULKIN. Will the gentleman develop that?

Mr. BOILEAU. That is an important point. The gentleman from Michigan [Mr. Hook] yesterday talked about the increase in price under the A. A. A., and tried to show that the dairy farmers got an increased price along with all other farmers. They got less than most farmers. I would like to say to the gentleman from Michigan, that under the Agricultural Adjustment Act, all of the contracts between farmers and the Government carried a provision to the effect that the farmer agreed not to go into the production of other nationally produced agricultural commodities, and that is why there was not such a tremendous increase in dairying in the South, because if farmers increased their production of other crops, they violated the terms of their agreement. That provision was written into the Agricultural Adjustment Act.

Then we come down to the Cotton Control Act, the Bankhead Cotton Act. I remember having sponsored in this Congress an amendment along these same lines, that prevented the southern cotton farmers from going into the production of these other commodities, if they hoped to receive a Federal bounty. That amendment prevailed in the House, and it went with the bill to the Senate. There was some modification in the Senate, and some of the teeth were taken out, but there was a prohibition in spirit at least. Under the discretion of the Secretary of Agriculture it did not work so well. There was some slight increase in dairy production, but those two programs in operation during those years carried a specific restriction upon the use of so-called "idle acreage" and that was why there was no tremendous increase in dairy production while those laws were in effect.

We come now to the Soil Conservation Act, which we passed after the A. A. A. was declared unconstitutional.

There was nothing in the act that prohibited these farmers from increasing their production of any commodity, from going into the dairy business. You must be very careful during the rest of this debate on this proposition, because you will have more misinformation given to you on this particular subject than on any other phase of the bill, because there are some Members of this House who, because of their desire to defeat this legislation, are unwilling that all the facts be presented to the House.

I want to point this out to you: It has been stated before our committee on a number of occasions when I have advocated this amendment that under this program the South is not going to increase its production of dairy products.

It is denied that anything like that has occurred.

That may have been sound logic when a temporary program was in effect, when these other control programs were in effect a year or 2 years and only the Lord above knew whether they were going to have any degree of permanency. Cooperating farmers did not feel that they could, and probably were not financially able, to invest in dairy cows, to a large extent, because they would naturally want to continue in corn, in wheat, in cotton, and they did not know how long these programs would be effective. For a year or two they thought they could develop the fertility of the soil by plowing under some of these grasses and legumes that they had planted.

But now we are writing a program which you claim is a permanent program. We are writing permanent law on the statute books. We are saying to the cotton farmer, "You will be required, under the compulsory program, to reduce your production to 60 percent of what it was before. You must reduce by 40 percent the acreage you formerly planted in cotton." And with reference to wheat and corn and all of these other commodities, if the program is to be effective, it must contemplate a reduction in acreage. We say to them, "You will get benefits, provided you plant grasses and legumes"; not forests, as the gentleman from Michigan has tried to tell us. This program is not going to make a national forest preserve in every back yard. The Department of Agriculture has already published its program for 1938, and that program provides for the shifting from soil-depleting to soil-conserving crops, grasses, and legumes; alfalfa, clover, the crops that we in the dairy sections produce. So as a permanent policy, 40 percent of the lands that were formerly used

in the production of these other commodities hereafter must go into the commodities that we produce.

We do not sell our alfalfa. We do not sell our clover; that is, not directly. We sell it in liquid form. We grow our grasses and our legumes, and we put them through one of the most perfect machines known to mankind, the good old dairy cow. We feed our grasses and legumes to that dairy cow, and by skillful handling and experience gained over generations we know how to get the most milk out of our cows, and we derive our cash income from our milk, not from our grasses and our legumes. But it is the same thing. Milk is our cash crop.

This bill provides that with reference to the producers of these five favored commodities no one else dare trespass upon their rights. No one else dares to increase their production of these commodities—a monopoly is created.

We of the North cannot increase our production of wheat and corn, but you in the South and West and in those sections of the country that grow these other commodities are at liberty—yea, are not only at liberty but you are required to grow the crops we produce. Do you not see that is going to unbalance the national economy? Do you not realize that is going to ruin our farmers? I ask the gentleman from Michigan if he believes this bill is going to help the little dairy farmers he has in his district? I submit to the gentleman that if he thinks so, he is greatly mistaken.

A question has been asked as to the increase in dairy cows in the South. I want you to check the figures yourself which have been compiled by the Department of Agriculture, because it will undoubtedly be said—it has been said so often by some people that they really believe it themselves—that under the operation of the adjustment programs there has not been any increase, but rather a decrease in dairying in the South. You heard the figures I quoted a little while ago. From 1920 to 1935 there has been a tremendous increase. When I made that statement before the committee, a very, very distinguished member of the committee challenged my statement and said, "Oh, well, that increase occurred in 1920 and along about that time before the A. A. A. went into effect, but since then we have been reducing our dairy cows."

The way to find out what the future of the dairy industry is, is to figure out how many dairy cows there are on the farms of this country and where the increase in cow population is taking place. You will find some very startling figures. In the 16 cotton-producing States there were 10,730,000 dairy cows in 1932. That includes milk cows and heifers over 2 years old; heifers between 1 and 2 years, and heifers under 1 year, all of which were kept for milk purposes. Ten million seven hundred and thirty thousand dairy cows in 1932 in those Southern cotton-producing States. That was the year before the A. A. A. went into effect.

During the present year, as shown by the last census, there were 10,964,000, or an increase of 234,000 dairy cows in that same section; not a noticeable increase, my friends, but it is important when you stop to realize that some people are trying to tell you that there was a decrease during that period. I am sure some of you have heard statements made on this floor to the effect that dairying has decreased rather than increased in the South in recent years. From these figures, however, it would appear that there are more dairy cows in the South today by 234,000 than there were in 1932.

I also wish to call your attention to the fact that in the same period in the State of Wisconsin, the largest dairy State in the Union, there has been an actual reduction in the number of dairy cows during that period. In 1932 Wisconsin had 3,017,000 dairy cows, including milch cows and heifers kept for milk purposes. In 1937 this number had dropped to 2,980,000, or a decrease of 37,000. During this same time, however, there was an increase in the dairy-cow population of the South.

Let us consider cheese. My district is one of the finest and largest cheese-producing districts in the country. We produce primarily American or Cheddar cheese. We produce excellent American or Cheddar cheese. Out of a total production of American or Cheddar cheese in the entire United

States in 1935 of 468,999,000 pounds, Wisconsin produced 270,851,000 pounds, way over half of all the American or Cheddar cheese produced in this Nation. The average for the period from 1929 to 1933 as compared with the year 1935 there was a substantial increase in the amount of American or Cheddar cheese produced in Wisconsin and also an increase in the amount of such cheese produced in the United States. The yearly average for the period 1929 to 1933 was 380,630,000 pounds produced in the United States as compared with 468,999,000 pounds in 1935.

Wisconsin increased her production of such cheese 13 percent during that period, but the increase for the entire United States was 23 percent; and we who produce over half of all the American or Cheddar cheese in the United States increased our production only 13 percent, whereas throughout the United States the increase was 23 percent. Here, my friends, is an important story. In these Southern cotton-producing States during the period when Wisconsin increased her production of this type of cheese only 13 percent, when the United States increased its production 23 percent, these same Southern cotton-producing States increased their production of American or Cheddar cheese over 80 percent, and the great State of Texas during that same period increased its production of American or Cheddar cheese 76 percent. This, Mr. Chairman, in my mind, gives us the story as to the direction the dairy industry is going under our soil-conservation program. Now, I say to you, "Go ahead and increase your cheese production; go as far as you want, but in all fairness do not come to the Congress and ask for a Government subsidy to make it possible for you to compete with us."

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. ROMJUE. I call the gentleman's attention to the fact that his use in his comparison of the years 1932 to 1936, in the matter of the number of dairy cows in the South—

Mr. BOILEAU. 1937.

Mr. ROMJUE. I remind the gentleman that in the year 1934 when we had an extreme drought thousands of head of cows and cattle were shipped from the Northern States.

Mr. BOILEAU. Beef cattle.

Mr. ROMJUE. No; old cows and cows of all ages. That accounts for the increase in the number of cattle in the South.

Mr. BOILEAU. Let me point out the fact that there was an increase in 1935 over 1934 in the dairy-cow population of the South. That ought to stop that argument.

The gentleman from Michigan made some other statements that I think should be further commented upon. He said that there is no important dairyman in this country who believes in this amendment. Does he want to make that statement now? If so, I will yield to him. I will say to him that every important dairyman in this country is in favor of this amendment. Does he want to dispute that?

Mr. HOOK. Is Mr. Babcock in favor of it?

Mr. BOILEAU. Who is Mr. Babcock?

Mr. HOOK. A big producer of processed feeds.

Mr. BOILEAU. Who is Mr. Babcock? Whom is he representing here?

Mr. HOOK. He is a producer of processed feeds.

Mr. BOILEAU. Did the gentleman say cheese or feeds?

Mr. HOOK. Feeds.

Mr. BOILEAU. What has that got to do with this amendment?

Mr. HOOK. It does exactly what I said. The big processors of dairy feeds are interested in seeing this amendment go through because it would mean they would sell more of their processed feeds.

Mr. BOILEAU. I make the statement right here and now that there is not another Member of this House from a dairy section that even knows Mr. Babcock. If there is, I would like to have him stand up. No one ever heard of him except the gentleman from Michigan. I submit there is not a dairyman in the House that ever heard of him.

He certainly is not an important personage in the dairy industry.

Mr. HOOK. He is milking the dairy business.

Mr. BOILEAU. So is the gentleman from Michigan. I ask the gentleman from Michigan if he knows of a single dairy leader in the country who is opposed to my amendment?

Mr. HOOK. Yes.

Mr. BOILEAU. Who?

Mr. HOOK. I use the gentleman's own words. All the dairy leaders in the South are opposed to it.

Mr. BOILEAU. I am talking about the real dairy leaders. The gentleman might be surprised to know that there are dairy leaders of the South who are not opposed to it.

The gentleman referred to the protection of the consumers. If we are going to protect the consumer when it comes to milk, it seems to me we should also protect him when it comes to cotton, wheat, corn, hogs, and all those things.

My time is about to expire. I appeal to the membership of this House in fairness to the greatest industry among all the agricultural industries; that is, the dairy and livestock industry. We do not ask you for any special favor or consideration. We do not ask for special treatment. All we ask is that you put provisions in this bill that will prohibit the Federal Government from paying money to one group of farmers who reduce their production of certain agricultural commodities, and then pay them a Federal subsidy to encourage them to engage in the production of crops we produce. Such a program will result in the complete dislocation of agriculture, and in a very short period of time will ruin the dairy industry of this country. [Applause.]

[Here the gavel fell.]

Mr. DOXEY. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. Hook].

Mr. HOOK. I believe the question, so far as the dairy industry and the farm program is concerned, is not a question of overproduction. It is a question of underconsumption. As I stated yesterday, if we would use more of our time in an effort to increasing the consumption of milk and bringing it to the school children and the undernourished of this Nation, we would be doing a whole lot better job than taking grasses and legumes for dairy cows off the market, thereby decreasing the consumption of milk. If we would set out on the real problem, which involves the distribution system in the handling of farm products, and I call attention to a report of the Federal Trade Commission on that subject, we would be doing a great service to the farmers and the consumers of this Nation.

When you can bring to the consumer a product which is not loaded with the cost of the productive system, you are going to bring to him a commodity which is within his reach. It is a question of underconsumption, not only of milk, but of every other commodity in this country. When we bring commodities within the reach of the consumer, we shall not have to curtail production. [Applause.]

[Here the gavel fell.]

Mr. DOXEY. Mr. Chairman, I yield 20 minutes to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Chairman, as my time is limited, I want to confine my remarks to the tobacco section of the bill.

A rather severe indictment is made against the tobacco section by my friend from Minnesota is his minority report. He says:

There are times when mere men rise above politics and become statesmen. The drafting of the tobacco section was no such an instance.

This minority report is signed by my good friend AUGUST ANDRESEN, of Minnesota, and concurred in by four other minority members of the Agricultural Committee. My friend is well named August. August, you know, means eminent, venerable, imposing, stately, kingly, magnificent, and it would take all of those adjectives to properly and adequately

describe my magnificent friend, the Honorable AUGUST ANDRESEN.

But the sting is taken out of his indictment when we know that not a stalk of tobacco is grown in his district and that his only acquaintance with tobacco and the problems of the tobacco grower is his daily association with a cheap cheroot.

The tobacco section was drafted by the Representatives here in the House who are familiar with the tobacco problem, and, in my opinion, represents their composite judgment.

Now, let us in considering the tobacco section view it from a common-sense angle. For a number of years prior to the advent of this administration there had been an overproduction of tobacco. Production and consumption were out of gear. The result was the lowering of the price level of tobacco to a destructive point, to a point where the tobacco growers were losing money year in and year out.

Let me give you a picture of what the present administration found among the flue-cured and burley tobacco growers. These growers produce at least 80 percent of the tobacco grown in this country.

Back in 1931 the flue-cured tobacco growers received \$56,000,000 for their entire crop, and the burley tobacco growers \$37,000,000, making a total of \$93,000,000. In 1932 the flue-cured growers received \$43,000,000 and the burley growers \$38,000,000, making a total of \$81,000,000.

Now in 1936 the flue-cured tobacco growers received \$150,000,000 and the burley growers \$78,000,000, making a total of \$228,000,000. And in 1937 it is estimated the flue-cured growers will receive \$190,000,000 and the burley growers \$80,000,000, making a total of \$270,000,000.

Now, what brought about the change? Such things do not just happen. The change was brought about by the tobacco-control legislation passed in 1933, originally initiated by the distinguished gentleman from North Carolina, Judge KERR. The tobacco growers of America will ever be indebted to Judge KERR for the distinguished service he rendered them.

Now, I have no patience with those who try to murder this bill through fright—with those who indulge in the foolish talk that we are trying to Hitlerize the tobacco grower—that he is going to be regimented—that a control program is not the American way. The tobacco section in this bill is a control program. I make no apologies for its being a control program. In order to keep production and consumption in line it is necessary for us to have a control program. And unless consumption and production are kept in line there is no hope for the tobacco grower. And let me say that the tobacco grower is not asking for a single cent by way of governmental subsidy. We believe that if we can keep production and consumption in line we can maintain a fair and equitable price level for tobacco. And let me say further that the control program is the American way. Hard-headed American businessmen have been applying the control philosophy to industry ever since I can remember. Industry tries to keep production and consumption in line. In recognition of this old hard-headed American principle the tobacco grower, knowing that he is helpless to keep production and consumption in line unless the Government sets up the necessary machinery, is only asking the Government to set up the machinery necessary to enable him to do exactly what industry has been doing all the while. The tobacco grower is only asking that he be permitted to put into his business the common sense business principle that industry can operate under without governmental assistance.

What does the tobacco section in the bill do? Let us see. Under the bill when the Secretary of Agriculture finds that the carry-over of tobacco plus the estimated production will exceed a normal year's domestic consumption and exports plus 175 percent of a normal year's domestic consumption and 65 percent of a normal year's exports plus 5 percent to insure against droughts, floods, and adverse conditions, quotas can be established provided, however, a referendum is held and less than one-third of the tobacco growers oppose the establishment of quotas.

Let me give you two examples showing when quotas can be put into effect:

Flue-cured tobacco

	Pounds
Domestic consumption.....	355,000,000
Exports.....	355,000,000
Total.....	710,000,000
Plus 175 percent of domestic consumption.....	621,000,000
Plus 65 percent of exports.....	231,000,000
	1,562,000,000
Plus 5 percent for drought, etc.....	78,000,000
Amount before quotas established.....	1,640,000,000

On July 1, 1937, the estimated supply of flue-cured tobacco was 1,719,000,000 pounds.

The 10-year average supply of flue-cured tobacco is around 1,468,000,000 pounds.

The 10-year average production of flue-cured tobacco is 702,000,000 pounds.

Burley tobacco

	Pounds
Domestic consumption.....	345,000,000
Exports.....	10,000,000
Total.....	355,000,000
Plus 175 percent of domestic consumption.....	604,000,000
Plus 65 percent of exports.....	6,500,000
	965,000,000
Plus 5 percent for drought, etc.....	48,275,000
Amount before quota established.....	1,013,000,000

On October 1, 1937, the estimated supply of burley tobacco was 934,000,000 pounds.

The 10-year average supply of burley tobacco is 910,000,000 pounds.

The 10-year average production of burley tobacco is 312,000,000 pounds.

Now, in the event quotas are established, let us look into how the National and State quotas will be fixed.

The national quota will be fixed by the Secretary at a point in poundage that will give a total supply that equals the reserve supply, that is, in case of flue-cured tobacco 1,640,000,000 and burley 1,013,000,000, as heretofore shown. Before making State allotments 5 percent of the national quota is deducted for farms on which for the first time in 5 years tobacco is produced and to increase allotments to small growers.

The balance of the national quota, 95 percent, is apportioned by the Secretary among the several States on the basis of the total production of tobacco in each State during the 5 calendar years immediately preceding the calendar year in which the quota is announced, with necessary adjustments to make correction for abnormal conditions of production, for small farms, and for trend in production during the preceding 5-year period. Provided, except for farms on which for the first time in 10 years tobacco is produced, the marketing quota for any farm producing flue-cured tobacco shall not be less than 3,200 pounds and on farms producing burley tobacco 2,400 pounds, or the average production for the farm during the preceding 3 years, adjusted upward, if necessary, so as to equal the highest tobacco base acreage established for the farm under agricultural adjustment and conservation programs. In other words, flue-cured growers under 3,200 pounds and burley growers under 2,400 pounds are not subject to quotas, and any reduction in their acreage heretofore made is restored if it will not bring their production up above the figures of 3,200 for flue-cured and 2,400 for burley. In addition, the small growers' allotment can be further increased from the 5 percent deducted from the national quota.

There are around 150,000 flue-cured tobacco growers and the small-farmer exemption of 3,200 pounds will effect approximately 45 percent of them, or in round numbers 67,000 growers. These small flue-cured growers now have about 15 percent of the flue-cured acreage. It will take about 3 percent of the State quotas to take care of these small growers.

There are about 150,000 burley tobacco growers and the small-farmer exemption of 2,400 pounds will effect approximately 56 percent of them, or in round numbers, 84,000 growers. These small burley growers now have about 21 percent

of the burley acreage. It will take about 2½ to 3 percent of the State quotas to take care of these small growers.

The small-grower exemption in the bill is right and just. The tobacco money is the only cash crop many of the growers raise, and if they came under the quota the result would be to make it unprofitable for many of them to remain in the tobacco business. I have been fighting a long time, along with others, to see that the small grower was protected, and, under the provisions of the bill, I believe we have thrown around him every protection possible.

The Secretary, under the bill, has the right to adjust or suspend marketing quotas in the event of emergencies such as increase in export demand, crop failure, and so forth.

A penalty of 50 percent of the market price, or 3 cents per pound in case of flue-cured, Maryland, or burley, or 2 cents per pound in case of all other types of tobacco, is placed upon any person who knowingly acquires from a producer tobacco in excess of the producer's quota. This penalty is placed upon the purchaser because it will greatly simplify the practical mechanics of the bill. There are very few purchasers of tobacco; they are in a position to know what is contraband or bootleg tobacco; and hence the provision will not work a hardship upon them.

Take it all in all, I believe it is the best piece of tobacco legislation we have yet worked out.

It is imperative, as I see the situation, for the tobacco growers to have a control program. As highly as I think of the Soil Conservation Act—and the tobacco growers will not lose their soil-conservation payments under the bill—experience teaches that it will not do the job. Under the Soil Conservation Act, we saw both burley and flue-cured production increase in 1936. I certainly hope it will be the pleasure of the Congress to give the tobacco growers the kind of program that they want—production control. Such a plan, in my opinion, will do the job.

Mr. CREAL. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. Yes.

Mr. CREAL. In the penalty provision I notice that, with respect to rice and cotton, the producer, as well as the buyer, may be liable to the penalty, but in the tobacco provision not a word is said about the producer bearing this penalty, but only the buyer. Why the difference in that respect?

Mr. FLANNAGAN. That is true, and I think if the gentleman will look into the situation and think the problem through, he will agree that as to tobacco the penalty provision is a wise one, for this reason: Most of the tobacco—I can say over 95 percent of it—is marketed on what is known as the tobacco floor. There are very few of these floors in the United States. These buyers have bookkeepers and accountants, and it is an easy matter for the buyer of tobacco to keep check on John Smith or Bill Jones who brings his tobacco in for sale. The purchaser will have no trouble in spotting contraband or bootleg tobacco. Placing the penalty on the purchaser just simplifies the mechanics of the act; that is all.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. Did I understand the gentleman to say that the tobacco growers will be permitted to grow 175 percent of the domestic allotment, plus 65 percent of the export?

Mr. FLANNAGAN. No. Before the quota goes into effect, the Secretary has to find that the carry-over of tobacco, plus the estimated production, will exceed a normal year's domestic consumption and exports plus 175 percent of a normal year's domestic consumption and 65 percent of a normal year's export plus 5 percent to insure against droughts, and so forth. You know, there is always a large carry-over in tobacco. This is to keep your tobacco stocks from dwindling below the danger line.

Mr. MARTIN of Colorado. What is there in the tobacco situation that enables it seemingly to have such an excess of production and yet balance production and consumption.

It would seem to me you are allowing them sufficient excess to break down the whole program.

Mr. FLANNAGAN. No. If the gentleman will figure it out he will find that the yardstick that has been laid down is a correct one, due to the fact that we carry over a lot of tobacco. Some of it is aged for years before it is used, and if we follow this yardstick we will keep our production in line with our domestic consumption plus our exports.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The question is with respect to a broader field and if it diverts the gentleman from the particular subject on which he is addressing the committee, I shall not press the question, but being on the Committee on Ways and Means, I am naturally very much interested in finding out, if I can, the estimated cost of this bill. This is very important in connection with new taxes.

Mr. FLANNAGAN. I will be pleased to give the gentleman from Massachusetts my views. So far as tobacco is concerned we are not asking this Government to give us one single penny and, personally, I am against a processing tax being placed upon any farm commodities. A processing tax is the most vicious kind of a sales tax. I further think the Congress should hold the farm bill to the \$500,000,000 that has been authorized, plus 30 percent of our customs. [Applause.]

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield now to the gentleman from Michigan [Mr. SHAFER].

Mr. SHAFER of Michigan. Mr. Chairman, this Nation has been builded upon a foundation of agriculture. While the manufacturing industry has made almost inconceivable progress until today we are the foremost industrial people in the world, it still remains a profound fact that the well-being of this Nation rests upon the basis of agricultural production and agricultural security and prosperity.

So vast and so diverse are the agricultural activities, interests, and necessities in this country that for years we have been forced to recognize the fact that it is well nigh impossible to work out legislation which can with equity and practicability be applied to all lines of agriculture. Political spellbinders and demagogues to the contrary notwithstanding, nobody understands this fact of the complexity of the agricultural problem in the United States better than do the farmers themselves.

I want to be recorded as saying that nowhere in the world can be found a more self-reliant, independent, courageous, and resourceful body of people than the American farmers.

It is true, however, that an intensely rapid evolution from an economy of scarcity into an economy of plenty due to the application of power-machine methods, scientific rotation of crops, and fertilization have brought about problems of surplus and glut in some lines of agricultural production which exercise a depressing effect upon all agriculture. While this is true, it still remains a fact that the American farmer has survived and has survived well a long period of years in which the prices of everything he produced were decreasing while the prices of everything that he had to buy were increasing. It is one of the ironical phases of our modern civilization that in a period not so long ago a drought and scant crops meant suffering and privation and danger to the security of the agriculture. Today we find ourselves in the paradoxical situation where actually not a drought and scarcity of crops but a beneficent nature and bounteous crops are regarded as a grave threat to the security and the well-being of the agricultural industry.

Stripped of all of the maze of political arguments and vote-luring pleas directed to the farmer, the basic problem of this Nation, insofar as its agricultural economy is concerned, is, as I see it, this: The farmers of America want, the farmers of America deserve, the farmers of America have a right to expect parity income, parity prices, and cost of production for the products raised on their farms. If it

is possible by constitutional farm legislation to achieve this condition for the American farmers, I am wholeheartedly for that. If there is a practical and equitable way in which to achieve such legislation, if it is outside the purview of the Constitution as it stands today, I would, when convinced of the soundness of such proposed legislation, be in favor of any such constitutional amendment as might be necessary to validate such legislation.

We have, Mr. Chairman, pending before this House now legislation which it is urged by the proponents of the bill will achieve this parity of prices, this parity of income, and this cost of production to which the farmers of this country are so justly entitled. I want to say here and now that if I were convinced that this bill would accomplish those objects, I would vote for it if I were the only Member of this House to do so. I am not convinced, Mr. Chairman, by any means, that the bill as it stands at present will accomplish the objects I have stated, nor am I convinced that the bill is even constitutional or workable as a practical matter. There are phases of this proposed legislation which, I am convinced, are utterly repugnant to the spirit and the desires of the farmers of my district.

I am struck by a singular provision of this bill relating to tobacco-production control. The framers of the bill have seen fit to write in provisions ostensibly to control tobacco production, which provisions permit the southern tobacco grower to raise as much tobacco as he pleases. If he can persuade a buyer to purchase his tobacco, no matter how much his production may exceed his allotted quota, the tobacco producer can sell that excess quota production, pocket the money, and be absolutely immune from any penalty whatsoever. The penalty is placed in this case upon the buyer of such excess quota tobacco. No matter how innocent such a buyer may be of knowledge that the tobacco he purchases is excess quota production, he pays the penalty. How can this be excused, in view of President Roosevelt's own enunciations concerning stock sales in which he has said time and again that we can no longer go upon the basis of "let the buyer beware," but that we have reached that point where we must also make it necessary to "let the seller beware"?

Mr. Roosevelt's premise was that the buyer could not always "beware" because he had no means of making himself "aware," but that the seller was always "aware," of the nature of his offerings to public buyers of stocks and bonds. How can the tobacco buyer be "aware," and why is not the producer, the seller, the one who is fully "aware" of whether or not he is exceeding his quota production when he sells his tobacco?

I raise this point, not through any sense of wanting to regiment the tobacco-raising industry or to put it in a strait jacket, but to emphasize the contradictory internal provisions of this bill. Unlike the tobacco provisions, when we come to wheat we find that the wheatgrower is not only allotted his quota of production, but he is penalized if he exceeds that quota and attempts to sell it. Likewise the producer of corn not only is penalized if he exceeds his quota, but under the provisions of this bill, and under the dictatorial power which would be vested in the Secretary of Agriculture, the corn farmers of my district would have to build cribs in which to store this excess corn. That would not satisfy the Government if this bill is passed; they would have to put padlocks on those corn cribs. That would not satisfy the Federal Government. The Government would have to put a seal on those padlocks. Even that would not satisfy the Federal Government. An army of snoopers and agricultural G-men, threateners, and intimidators would be constantly checking up on these locked and sealed corn cribs on the farmers of my district, keeping those corn farmers under the kind of surveillance now exercised by police departments and the Department of Justice over suspected criminals or paroled convicts.

If the corn farmers of my district ran short of stock feed, their animals would have to starve and die and my farmers would not dare to break the seal and unlock the crib and feed their starving animals any of this excess corn. If they did so, they would be subject to suits in the Federal courts.

They would sacrifice all the benefits provided in this bill for those who observe the quota.

The farmers of my district want parity of income, parity of prices, cost of production, but they want that parity because they are entitled to it, because it is an economically sound thing for this Nation that they should have it, but they do not want it at the expense of their self respect, they do not want it at the expense of their liberties as American citizens, they do not want it as wards of a Federal bureaucracy which maintains over them a surveillance unworthy of America and unworthy of American farmers or American Government.

Let us consider for a moment the cotton provisions in this bill. Under these provisions cotton acreage is allotted. But there is not one thing in the pending measure that prevents the big cotton growers of the South, who have the credit or the money to enable them to fertilize, to cultivate intensively, to employ machinery in production, from intensively fertilizing and cultivating their allotted acreage to produce the last limit of cotton that may be grown under such methods. I have understood, and I will welcome correction from any Member from any cotton section who may be more familiar with the industry than I, that the big cotton growers of the South could by intensive fertilization, intensive cultivation, and machine methods of production, vastly increase if not double the normal production that has been raised on this same acreage over the past years.

Is there any man or woman in this House who believes, human nature being what it is, that these cotton farmers will not crowd their production to the last ounce on their allotted acreage? Why this difference, I ask, between the whole attitude toward the tobacco grower and the cotton grower and the rice grower on the one hand and the wheat and corn growers of the North and West on the other?

For the first time in the history of this Nation our farm imports have exceeded our farm exports.

Further complicating this already complex problem we have the competition under the reciprocal trade treaty policy of Mr. Roosevelt and Mr. Hull of foreign agricultural producers. Added to this we have a necessary adjustment between our agricultural economy and our industrial economy in the matter of wages and hours. It is conceded by the proponents of wage and hour legislation that increases in wages and shortening of hours will necessarily increase the cost and therefore the price of all manufactured goods. The costs of these manufactured goods will be increased for the farmer as for all other consumers. This is not to say for a moment that I do not favor the highest wages and the shortest hours for industrial workers of this country, consonant with a sound national economy, because I do; but it remains an inescapable fact that if we increase the price of everything the American farmer has to buy we are going to have to increase the price of everything he produces to sell and we are going to have to permit him to produce enough additional salable products to guarantee him parity under these conditions.

Such a parity, in my opinion, is not to be guaranteed by a dictatorial compulsory restrictive policy.

There is no question but what we have got to continue to wrestle with this problem of parity income, parity prices, and cost of production for American farmers until we have solved it. There is no possible sound basis for security in America until the agricultural population of this country is on such a basis.

A report prepared by the minority of the Agriculture Committee states very plainly that—

The proposed program will bring about a complete dislocation of agriculture in the United States, an increase in foreign production of competitive farm products, and the total disappearance of our export market.

That report further says that "a new philosophy of dubious constitutionality" is sought to be injected into our American system of free and independent action. It seems to me that the point made by the minority is well taken, namely, that instead of this legislation doing something for the American farmer it is going to do something to him. It is to me a very

significant thing that not one single national farm organization has approved and supported the compulsory features of this bill; but, to the contrary, those national farm organizations have bitterly opposed such provisions. These farm organizations have proposed some sound suggestions, but these suggestions have not been incorporated into this bill.

I go along with the soil-conservation program as administered in 1936 and 1937, but that is something apart from the general provisions of this proposed Agricultural Act of 1937 as it stands before the House.

By far the great preponderance of farms in the United States are one-family farms on which no outside help is employed. Those are the farmers for whom I am particularly concerned. The big farming companies and the wealthy farmers who are in business on a mass-production basis are pretty well able to take care of themselves. But the small farmer, the man who with his wife and the members of his family is trying to eke out a living, is the man who needs help, and he is the man I particularly want to help. I have not forgotten that under the old A. A. A. hundreds of large farmers received subsidy payments from the Government ranging from ten thousand to one million dollars each year to produce less, while the one-family farmer received only a few paltry dollars. I agree with the report of the minority that this scandal should not be permitted to recur.

I think we all agree in the proposal to make sound loans on all agricultural commodities, including dairy products. The question is raised in the minority report, I think with good cause, that the referendum provisions of the bill would be declared unconstitutional by the Supreme Court. Nothing is to be accomplished, Mr. Speaker, in passing a bill containing provisions which are unconstitutional.

Another objection to the bill, it seems to me, is to be found in the provision that the foreign farmers living within the so-called commercial corn area, consisting of 10 States in the Middle West, are to be regimented, inspected, and penalized, while corn farmers living outside the commercial area could produce, feed, and sell without limit.

There is another phase of this whole question to which I want for a moment to address myself, and that is the probable real effect on the farm export market if this bill is enacted into law. The point has been raised by the minority, and I believe it merits very careful consideration.

At frequent intervals during the crop year the Secretary of Agriculture announces his crop estimates and supplies on hand covering all agricultural commodities. These estimates have a decided effect upon the domestic and world market. If the Secretary announces smaller crops than had been anticipated, prices go up. If the Secretary predicts larger crops, the domestic and world prices go down. If this bill goes into operation, it is to be assumed, of course, that the Secretary would continue to issue accurate estimates as to production and supplies, whether in storage on the farms or in terminal facilities. The result of this, it would seem, would be to advertise to the world our visible supply, and such an advertisement of our supply would be bound to have a material reaction on the market price levels. It would make little difference, as the minority has said, if the Secretary announced that a certain percentage of the crop would not be sold because of the ever-normal-granary storage plan. Of course, the Secretary could follow the plan of the old Farm Board and have the Government buy all of the reserve supplies and more, but, as pointed out by the minority, this would be another expensive fiasco.

It is believed by many that the principles best designed to restore agricultural prosperity in this country would be those directed to the recovery of our foreign markets for surplus production. There is very widespread belief that this could be done without imperiling our domestic market for those commodities produced in sufficient quantity to take care of our domestic needs by invoking the principles advocated in the old McNary-Haugen farm bill, which provided for an American-protected price for that part of the commodity sold for domestic consumption, with the surplus being sold in the world market at the world price. These views may be very well founded and certainly the danger from which the

American farmer must be protected is that wide fluctuation in price levels which occurs in the years of bounteous crops. Brought down to its bare essentials, the whole question is this: When the farmer has scant crops and little to sell, prices are high. When the farmer has ample crops and much to sell, prices are low. That condition is the result of the law of supply and demand. Our effort is to overcome such action and reaction by preventing the glut which forces down prices while at the same time leveling out the available supply year after year in order to prevent the scarcities that drive prices to impossible heights for the general consumer.

It is because I do not believe the present bill as it stands will accomplish this object that I feel that it must be given not only long and serious consideration, but many amendments will be necessary before the bill will be acceptable at all. I have no way of knowing at this time what amendments will be offered, nor what their effect upon the bill may be. I can, therefore, say only this: That, insofar as I am personally concerned, I intend to work for the soundest possible kind of legislation that will assure American agriculture parity of prices, income, and cost of production with the very least possible regimentation or compulsory control necessary to make such legislation of practical value to the farmer.

Mr. DOXEY. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. LUCAS].

Mr. LUCAS. Mr. Chairman, as a Member of the House of Representatives I have one vote and one voice. Obviously the vote is frequently important, but there is no unanimity of thought as to the amount of good or evil the voice of a Member of Congress brings forth. Day after day we revise and extend our remarks; we debate important issues, all with the primary hope that constructive achievement for our national sovereignty may be advanced from a given viewpoint. It goes without saying that no one in this legislative body wants to see America retreat from any basic or important front. Regardless of our political affiliations, each of us seeks to better the social and economic conditions of our people, our chief difference being only in the method of approach.

The President of the United States recently issued a call for a special session for the purpose of having the Congress consider the enactment of emergency legislation. In the interim we were struck with a business recession which, in my opinion, overshadows in its immediate consequences the rest of the legislation which we are now considering. [Applause.] There is more complaint from my section of the country from the businessman than there is from the farmer or the laboring man. It is requested that the Congress of the United States immediately apply itself to the restoration of the businessman to a permanent base of confidence. I confess I do not have all the answers to this sudden change in the business cycle, but the vast majority of business enterprises in my State affected by this sudden change seeks repeal of the excess-profits tax and the surplus corporation tax. Business feels that with the repeal of these two measures it could expand its financial activities into many economic fields.

Business has no hesitancy in saying that if given the opportunity to function without these restrictions order will supplant chaos, confidence will destroy uncertainty, and business will again start on an upward climb.

If the newspapers are correct, the Chief Executive of this Nation has no objection to the immediate consideration of the repeal or the modification of such measures. I submit in all sincerity that we should not wait until the regular session before taking action on these two important measures. [Applause.] Let us strike immediately following the disposition of this farm bill. The boldness of our action will restore a national confidence. Favorable consideration will develop the industry of encouragement upon every economic front, and admission of a mistake through such repeal will demonstrate political prudence of a high order. [Applause.]

I do not share the belief of some of my colleagues with respect to the cause of this temporary recession. I cannot be-

lieve that big business in this country by conspiracy or design is attempting to hamstring the activities of this administration. I know big business is unfriendly and has been from the beginning. The reactionary philosophy of its leaders can find no time for democratic ideals. And so long as they remain under such mental stricture they sustain a distinct loss. Nevertheless, it does not make sense to say that business leaders through vindication or any other reason seek to throw America into another monumental depression.

They are now asking us to give them a way out through the repeal of these laws. They contend that in the interests of recovery such repeal is indispensable. If there are any who discountenance their sincerity or their patriotism in this matter it is their duty to toss the ball back to business and we shall ascertain how far they will carry it toward the goal of recovery. If they are honest in their contention this is the one way we can assure them that we are willing to meet them half way and demonstrate that, after all, Congress is not unsympathetic toward business recovery.

Permanent benefits to be derived through the passage of farm legislation and the passage of the wage-and-hour bill depend upon business prosperity. We should move on these fronts simultaneously and in a cooperative manner with no misgivings and no misunderstandings about our objectives. Unless we start from such a premise the net result of all our legislative activities will be much less than the maximum good which America so deservedly needs in this particular hour of distress.

Today the eyes of every thinking patriot in these United States are directed to the Nation's Capital as a result of this special session. Last week I received a letter from a friend of mine who said, among other things:

I have been thinking of you all down in Washington and wondering what the next move will be. To be honest, never before in the history of my young life have the affairs of Congress been so important to this Nation.

Today our attention is directed to one of these important measures which thoughtful Americans are watching. We seek through this measure to write permanent farm legislation which will give to the farmer a program of stabilization and strength rather than a program of fear and discomfort. We seek permanent legislation because of the surplus of basic commodities which our rich and vast agricultural lands produce.

For 15 years, farm leaders have through legislation attempted to control that surplus. During that time we watched, to our dismay and discomfort, the purchasing power of farmers dwindle billions of dollars. During that time we saw our agricultural exports decline from \$2,219,000,000 in 1927 to \$668,000,000 in 1932. Yet, notwithstanding this tremendous loss, we continued to pile up annual surpluses until in 1932 tenants were hopelessly insolvent, the majority of the landlords were bankrupt, and the country was in a financial debacle the like of which had heretofore been unknown.

Some may ask: What was the real cause for the decline in the value as well as in the volume of these exports? And my reply is that during the depression purchasing power in all parts of the world was contracted. Another factor was that we turned from a debtor nation to a creditor nation after the war. But the third and most important factor, in my opinion, was the passage of the Hawley-Smoot Tariff Act under a Republican administration, which increased duties on 655 products. As a matter of retaliation, nations enacted tariff barriers and trade controls for which there is no parallel in the experience of civilized nations. It was the desire of all nations to protect home markets that made it most difficult to purchase another nation's goods at a time when agriculture and business were in the early stages of stagnation and paralysis.

Under the present administration there has been a gradual increase in our export trade, and in 1936 we had a total of \$1,242,000,000 in agricultural exports, but even this is wholly inadequate to cope with the tremendous surpluses of our basic commodities. With these cold facts staring an enlightened nation in the face, something must be done to control

the surplus. We all must realize that this is a condition which affects the welfare of all America, not a theory upon which one might stand.

I distinctly recall a speech made last August by the distinguished gentleman from New York [Mr. WADSWORTH] when the sugar bill was being considered. The gentleman from New York decried against quotas in sugar, charging that such legislation was catering to sectionalism and the transfer of all power to control the methods of earning a living pursued by 120,000,000 people to the Federal Government. What he said was partially true, and yet the Committee on Agriculture, in drafting that bill, faced a set of conditions which demanded quotas in order to keep the sugar industry from being destroyed. And, strange as it may seem, there was no one in America interested in sugar, whether it was the producer or the refiner, who did not agree that marketing quotas were indispensable to save the industry from bankruptcy.

The gentleman from Illinois contends that what is applicable to sugar in this particular phase of our history is equally applicable to other commodities with a surplus which has the potential power of economic destruction.

Mr. Chairman, the first President of the United States to thoroughly appreciate, understand, and sympathize with this acute farm problem was our distinguished Chief Executive, the Honorable Franklin D. Roosevelt. Two vetoes by Republican Presidents were the answer to farm legislation previous to 1933, but when the great humanitarian, Roosevelt, came into power as the leader of our people he faced the facts wisely and courageously. He practically told the leading agriculturists of the Nation to write a bill which they thought would do the job and he would sign it. The Agricultural Adjustment Act was the result of that understanding. The declared policy of that act was to establish and maintain such balance between production and consumption of agricultural commodities and such marketing conditions therefor as would reestablish prices at a level that would give agricultural commodities purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities of the base period of 1909 to 1914. The chronic surplus of farm products, which had been a millstone around the farmer's neck and a threat to our national existence, was to be curbed under the provisions of the Agricultural Adjustment Act. And how well that law worked is still fresh in the memory of us all. But it was set aside through the decision of the Supreme Court, and then it was that Congress hurried to enact further emergency legislation in the passing of the Soil Conservation Act. While it is recognized that the Soil Conservation Act has successfully served a worthy purpose, yet we all agree that the efficacy of the same, insofar as the surplus is concerned, is negligible. We now seek to amend certain portions of the act and give to the Nation a new law wherein marketing quotas for every farmer in America shall exist under certain conditions.

Before dealing directly with that subject let me digress for a moment. We know that farmers are patriotic and loyal Americans. We know that the majority opposes regimentation. We know that they will rebel to the point of force before submitting to the tyrannical methods of a dictator. But, notwithstanding this intense feeling of Americanism, they recognize that some drastic action must be taken to keep the surplus of the basic commodity crops from bankrupting them all.

Marketing quotas are inherently repugnant to my make-up. Quotas have never found a place in my general scheme of national thinking. Yet, through the loss of our export trade and other economic changes, we are faced today with actual conditions which necessitate a partial change in previous philosophies if financial relief and stabilization are to come to the American farmer. If someone can show me a better way, I shall have no hesitancy in following it. But one may search in vain in the minority report for such a primrose path. Those responsible for that report had their eyes fixed on the political fields of 1938 and 1940 rather than the tobacco, wheat, corn, and cotton fields of America.

So the first tangible and vital problem upon which you must reach a decision is whether or not you favor marketing

quotas as a means to control the chronic surplus, or whether you desire to follow the minority report and do little or nothing toward control over the abundant crops which we produce from the most fertile soil in the world. Until some statesman or economist finds the formula for a more just and equitable distribution of the basic commodities of life, giving to the farmer at the same time a decent price for what he raises, the gentleman from Illinois is constrained to move into the field of quotas, believing abnormally excessive supplies of these basic commodities are detrimental to the national public interest and directly affect interstate and foreign commerce.

If marketing quotas are to become the established law of the land, they must operate from an effective base; otherwise we give the farmers an unworkable law and prolong the day of legislative relief. Under the provisions of this bill marketing quotas go into effect when the supply of cotton reaches 26,900,000 bales, when the supply of wheat reaches 1,050,000,000 bushels, and when the supply of corn reaches 2,928,500,000 bushels. My colleagues, these quotas are excessive. They are too high. However, as a member of the subcommittee to draft legislation affecting corn, I shall confine my remarks to the corn quota.

A normal supply, including exports, over a 10-year period, is 2,380,000,000 bushels. The difference between normal supply and the marketing quota is 548,500,000 bushels. Pray tell me what the American farmer will do with that surplus. Pray tell me what the American Government will do with it. Rather than control of surplus, which is the fundamental policy of the bill, we legislate here increase of surplus under the theory of the ever-normal granary. Our 1937 corn crop is 2,651,000,000 bushels, with a carry-over of 60,000,000. Today corn in Iowa is selling for 38 cents per bushel, and in Illinois for 41 cents per bushel. And yet, if this bill were in effect, as it is now written, quotas would be worse than useless, because we should need 247,000,000 more bushels of corn before marketing quotas could be effective for the purpose of crop curtailment. Unless the Congress adopts the amendment which I shall offer, which will authorize the Secretary to declare marketing quotas to be in effect when the total supply is approximately 2,600,000,000 bushels of corn, this bill is useless and will accomplish nothing save the storage of huge surpluses which will ultimately drive the credit structure of agricultural commodities to the floor level of ruin. We must reduce the quotas, and I beseech your help and vote. Members should understand that in the establishment of quotas there is no interference with the production of corn on the acreage allotted. It merely compels storage of the excess bushels over and above the quotas so allotted.

Let me take you back to the few unpleasant years of the Agricultural Marketing Act. It proposed to stabilize prices, just as this bill does, but the machinery for so doing was wholly inadequate. The Federal Farm Board, created under the act had no authority to dispose of the surplus abroad nor to prevent it at home. The lack of authority to control production led to disaster as the Farm Board bought the surplus in a vain attempt to sustain the prices. No one was immune from these unmarketable surpluses. All markets hit a new low, and America experienced one of her most bitter depressions. Unless we have workable quotas on wheat and corn, followed by some mandatory loan provisions, we should forget about farm marketing quotas. We should not delude the farmer with a program that ominously points to the ruinous road of 1932.

And now let me discuss briefly mandatory loans in relation to marketing quotas. This is a much-needed step to make marketing quotas successful and to safeguard the farmer of the future. I shall offer an amendment at the proper time which will take the discriminatory loaning power from the Commodity Credit Corporation and make such loans mandatory if and when the annual production of field corn exceeds the normal year's domestic consumption plus the exports.

This amendment which I herewith submit speaks for itself:

On page 14, line 19, strike out all after the period and down through the period in line 24 and insert in lieu thereof the following:

"The Corporation shall make loans during any marketing year on field corn produced on farms in the commercial corn-producing area, as defined in section 321 F, on which the acreage planted was not in excess of the farm acreage allotment, and said loans shall be made on the following percentages of parity price for field corn as of the beginning of such marketing year:

"80 percent if the November production estimate for the current crop of field corn does not exceed a normal year's domestic consumption and exports;

"70 percent if such estimate exceeds a normal year's domestic consumption and exports by not more than 5 percent;

"60 percent if such estimate exceeds a normal year's domestic consumption and exports by not less than 5 percent and not more than 10 percent;

"55 percent if such estimate exceeds a normal year's domestic consumption and exports by more than 10 percent."

On page 14, line 25, strike out the words "foregoing rate" and insert in lieu thereof the following: "applicable foregoing rate on field corn."

There is abundant authority and precedent for loans on field corn. On October 25, 1933, a proclamation was issued by the Department of Agriculture which announced that loans would be made to the farmers who signed agreements to cooperate through the corn-hog reduction program. A loan rate of 45 cents per bushel was provided. When this announcement was made corn in Iowa was selling for 24 cents per bushel, in Illinois for 31 cents per bushel, in Nebraska for 29 cents per bushel, and in Minnesota for 26 cents per bushel. The Federal Government placed under seal, through loans, 271,000,000 bushels of corn, with a loan value of \$121,000,000. An emergency was with us. There was no vacillating. There was decision and action. It was indeed a brave and courageous act of a benevolent Government. Millions upon millions of dollars went into the farmer's pocket instead of to the greedy speculator. It was the real turning point in a Nation-wide depression. In the 1934-35 program the Government sealed 20,073,395 bushels of corn at a loan value of \$11,041,457.08. Under the 1935-36 program, the Government sealed 30,777,442 bushels of corn, at a loan value of \$13,848,910.42. I am happy to advise my colleagues that the Federal Government under this loan program for the benefit of producers of field corn has not lost a single dollar.

And yet, the uncertainty and the delay of available loans this year, which is more or less comparable to the year of 1933, have lost millions upon millions of dollars to the farmer. Announcement of the corn loan was tardy by at least 60 days. If mandatory loans upon field corn had been the basic law of the land, confusion would have been eliminated, uncertainty stricken, and millions of dollars saved. And the market price of corn, based upon a history of the past, would not be where it is today.

My colleagues, farm income must be placed beyond the fluctuations in the money market. In behalf of some 60 Members representing States in the corn-producing area, I ask your careful and conscientious consideration of these two amendments. We believe they are vital if the bill is successful. We believe that if such amendments are adopted the corn farmers may look to the future with confidence from the standpoint of stabilized prices. Give the farmer a definite peg upon which to hang his hat, and he will become a voluntary cooperator in this great farm program. And, last but not least, my colleagues, the speculator with all his nefarious schemes will be more or less effectively restrained from selling short the products of the tiller of the soil in advance of their production. [Applause.]

Mr. HOPE. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, the measure now under consideration is ostensibly designed to aid agriculture but will do the very opposite insofar as Minnesota and other dairying States are concerned. In short, the operation of this legislation will destroy dairying in the North and transfer it to the South. Why do I say that? Well, let us examine into some of its provisions. The bill provides for taking out of production 5,000,000 acres of cotton land, which are to be put into grasses and legumes. There is nothing in the measure to compel the growers of these legume crops to plow them under, so we must assume that they will be harvested and fed to livestock. Let us see how this will work out: 5,000,000 acres

planted to alfalfa should produce as a very minimum 15,000,000 tons, which is sufficient to winter at least seven and one-half million dairy cows, as they have practically no winter in the Cotton Belt. These seven and one-half million cows, on an average, should each produce 250 pounds of butter per annum, which would make a total of 1,875,000,000 pounds of butter, and also about 5,000,000 calves. When we stop to consider that the total consumption of butter in this country was only 2,121,389,000 pounds in 1936, it can readily be appreciated that the operation that I have just described would absolutely destroy the dairying industry in all Northern States with the possible exception of the milksheds in the Northeastern States.

Minnesota, Wisconsin, and other dairying States cannot possibly compete with the South in butter production because of the advantages that the South enjoys in climatic and labor conditions. The South has practically no winter, and labor is altogether too cheap.

What would happen to the dairy industry if the domestic butter supply were suddenly increased by 88 percent? It would absolutely destroy the industry in the North, because it would force the price down to such ruinous levels that the northern dairyman could not possibly meet them. In short, it would knock the bottom out of prices and convert the butter market from a buyer's to a seller's market. Let me ask you gentlemen from the beef-producing States what would happen if these grasses were converted into beef?

My friends, the picture that I have just painted is a very real one, and I present it for your consideration in the hope that suitable amendments may be adopted that will guard our section of the country against such a catastrophe.

Another purpose in presenting this situation is to show what a delicate subject we are dealing with and how easy it would be for us to pass legislation that would absolutely destroy the equilibrium of production that now exists between the North and the South, as well as to badly upset prices.

The measure under consideration deals with wheat, corn, rice, and tobacco, but it practically ignores all other lines of farm production. Take eggs, for instance: In 1935 we produced about two and one-half billion dozen eggs, having a total market value of \$581,575,000. Eggs in Minnesota are bringing from 18 to 20 cents for No. 1 grade, which is less than cost of production. It is my information that this low price is largely due to short selling of eggs and to imports from China. Anyone familiar with the poultry industry knows that eggs cannot be produced profitably at prevailing prices during the winter months, when the flocks must be fed. Why was not a provision written into this bill to prohibit the short selling of eggs? Was it an oversight?

It will be noted that rice is included among the commodities covered by this bill, and yet in 1935 we only produced 38,784,000 bushels of rice, which brought an average price of 77.1 cents per bushel, or a total value of \$29,898,000. This year we produced 52,000,000 bushels of rye, with a total value in excess of \$40,000,000. Why should not rye be included in this legislation? It is a very important crop in a number of Northwestern States. It cannot be that rye was left out because it is a northern crop and rice included because it is a southern crop. I do not want to believe that this bill was drawn along sectional lines, and yet what can we believe in view of the failure of the committee to include rye and other crops?

It should be needless for me to say that I am in hearty sympathy with the general aims of this legislation. I believe that if we are to have farm-relief legislation we must have some sort of reasonable control of production, but the farmers that I have talked with are opposed to compulsory control, and their sentiment is reflected in the attitude taken by the American Farm Bureau, the Grange, the Farmers' Union, and other farm organizations, all of whom are opposed to the bill in its present form.

We have been muddling with farm legislation for almost 20 years, and the average farmer is more deeply in debt today than when we started. I am in sympathy with the idea of an ever-normal-granary plan because it would tend to equalize over a period of years the price received by the producer

and the price paid by the consumer. That is an objective that we should strive for.

Any farm bill to be effective must give consideration to all sections of the country and to all lines of agricultural activities. The bill in its present form fails to do this.

We are not going to solve the farm problem by setting up an expensive and cumbersome machine that will merely give jobs to a lot of snoopers. We had a taste of this Government snooping during the war, when Government men were going from farm to farm to see that none were holding back wheat. We got our fill at that time, and we do not want any more of it.

I do not see how we can do anything to help the American farmer secure better prices for his products so long as we permit the foreign farmer to ship the products of his farm in here to be sold in competition with domestically grown crops. A few days ago I made some observations on this subject and at that time inserted in the RECORD a table showing the enormous imports of competitive agricultural commodities, which showed that during the last fiscal year ending June 30 we imported \$868,000,000 worth of cattle, meats, butter, cheese, eggs, wool, barley, corn, wheat, barley malt, and vegetable oils, all of which came in direct competition with domestically produced crops. As I see it, one of the prime requisites to agricultural recovery and prosperity is to give the American farmer the American market and I am going to support the Andresen amendment, which will prohibit importation of agricultural products into the United States where the landed cost of such products plus the tariff duties are lower than the domestic cost of production. I am surprised that this amendment was rejected by the Committee on Agriculture because it is so necessary to our national prosperity.

Is this measure one for crop control or is it primarily designed to conserve the soil? There seems to be a disagreement among its proponents on this score. However, I am willing to take the view that its objective is primarily to control production with a view to maintaining price levels that will give the grower cost of production plus a fair profit. I hope that the bill can be amended so as to achieve this objective. [Applause.]

Mr. Chairman, if the bill as it now reads comes to a vote, I shall vote against it as being a piece of fallacious legislation. I yield back the balance of my time.

Mr. HOPE. Mr. Chairman, I yield 20 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I shall favor a motion to recommit this bill to the Committee on Agriculture for further study. When I make that statement it is not a criticism of the committee. I know that the committee has acted in good faith and in a nonpartisan manner, but I do not believe that an effective bill can be made out of the present one. The philosophy accepted by the committee is wrong. We have been wandering around in the dismal swamp with the Secretary of Agriculture for 5 years, and the time has come when we should accept a different philosophy than the Secretary of Agriculture has been offering us.

Mr. Chairman, I used to believe in the law of averages. I thought any person, according to the law of averages, would hit upon the right thing once in a while. I believe that we must now, however, adopt the law of accident as far as the Secretary of Agriculture is concerned, because if he ever hits it right it will be by accident. [Laughter and applause.]

Let us see where we have been wandering. In the first place, the theory of the Department of Agriculture has been restriction and destruction of wealth. I appeal to the intelligence of the American people that no nation ever became great by destroying wealth or restricting the production of wealth. This Nation became great because it always had an abundance of wealth, but now we are suddenly asked to believe in the doctrine of scarcity in obtaining the abundant life by destruction. To destroy wealth, to destroy property, is legally criminal, morally wrong, and religiously sinful. You cannot get away from that doctrine.

Mr. Chairman, we have destroyed so much wealth that now we have to import it from foreign countries. Mr. Wallace, after cutting the throats of 6,000,000 little piggies now has to

admit that we imported from foreign nations over \$1,643,000,000 in agricultural products and substitutes during the first 8 months of this year. That is the foreign valuation. The domestic valuation would be over \$3,200,000,000. That is what the consumer pays and that is what our own producers should have received in the place of the foreigners. That is not 2 percent of our agricultural production. It is one-fifth. This would have been sufficient to hand to every head of our 6,000,000 farm families a check for \$500, and would have left two million with which to organize the farmers to unite and protect their own interests. In 1935 Mr. Wallace used the money of the taxpayers of the United States to buy imported cattle from Canada at South St. Paul in order to keep up the price for the American farmer, and at the same time the Secretary of State increased the importation of Canadian cattle by special trade agreements. It is just simply a crazy quilt. Let us assume our responsibilities as Members of Congress and pass laws for this Nation and not do what the Secretary of Agriculture wants us to do. He is not even a Member of Congress.

In the face of our curtailed production we imported 437,941 head of cattle during the first 8 months of this year. Assuming that the average hog we imported weighed 100 pounds, then we imported 157,000 head of hogs in the first 8 months of this year. We imported meat and meat products to the amount of 151,926,644 pounds; canned beef, 70,328,004 pounds; pork, 40,095,185 pounds; mutton, 17,443,177 pounds; lamb, 7,006,449 pounds; butter, 10,148,206 pounds; cheese, 42,175,615 pounds; and fish, 262,053,075 pounds. I was one of those Members of Congress who voted with my friend from Massachusetts to buy some 2,000,000 pounds of fish from the starving fishermen on the Atlantic coast.

The time has come, Mr. Chairman, to work for the American people and not for some foreign interests. I am not opposed to the foreigners, but I do not believe in bringing our own people down to the standards of living that exist in foreign nations. We should rather bring their standards up to the American standard by giving to the laboring people a living annual wage and cost of production to the farmers.

Again, we imported hides and skins to the amount of 255,738,171 pounds. What happened to the cows, steers, and the livestock in the United States? Do they not have hides any more? Why do we have to import this product from foreign countries? I thought our cattle still produced hides. Can we not raise our own?

We imported poultry products also. We invaded the poultry yards of our farmers' wives and imported \$3,899,046 worth of poultry products; grain and grain preparation, \$98,449,437. We imported 84,828,124 bushels of corn the first 8 months of this year.

You and I know that our export surpluses reduce the domestic price to the foreign price. We also know that foreign imports to the same extent reduce the domestic price to our farmers. We now ask that \$65,000,000 be loaned to the corn farmers. Yet we imported over \$55,000,000 worth of foreign corn. If we had excluded these importations, it would have meant not only \$55,000,000 more to our corn farmers but they would have received at least \$500,000,000 more for their entire crop and we would not have to provide for loans.

This is not all. We imported over 119,000,000 pounds of unmanufactured cotton and over \$44,000,000 worth of semi and manufactured cotton. In addition, we imported 136,000,000 square yards of cloth from foreign countries and 50,000,000 handkerchiefs from Japan, all within 8 months.

I want to appeal to the men and women who represent the laboring people about the high cost of living. The farmer is not responsible for the high cost of living. The farmer gets less than 20 percent of what you pay to live on. I can prove this by showing you that in March 1937—less than a year ago, at a time when I was asked to pay 72 cents a pound for calf liver—a farmer in my State sent to Chicago a veal weighing 90 pounds and received \$6 for it. If he had sent me the liver I could have paid \$6 for it, and he could have kept the calf.

The high cost of living is not caused by the price the farmer receives. The cause is that we have restricted our

own production until we pay to foreign nations one-fifth of the money we pay for the agricultural products we consume. I say the time has come when we ought to stop this, and I say it without any feeling of partisanship, because I am a nonpartisan and can throw rocks or bouquets at either side.

I think Hoover's crowd died of sleeping sickness, and I believe if we are not careful we will fumble the ball and die of something, too, before we get through, because we have not done anything real, we have just wandered around in the wilderness.

Let us see what I mean by that. Do you know that during the first 4 years that I served as a Member of Congress one farmer out of every six lost his home by mortgage foreclosure, tax sale, or forced sale? How much longer can this continue? You can find these facts in the Department of Agriculture's own report entitled "The Farm Real-Estate Situation for 1935-36." You will find there that in the first 4 years you and I have been here one farmer out of every six lost his farm under these conditions. Oh, we have said a lot about these things, but we have done nothing. We have been wandering around in the wilderness. Now we have an opportunity by recommitting this bill to make a real bill out of it.

Again, do you know that \$1,500,000,000 of the reduction in farm indebtedness has been achieved by mortgage foreclosures, and that the Federal Farm Credit Administration has been one of the worst offenders? Further, over 100,000 homes have been lost to American home owners living in cities and towns through foreclosures by the H. O. L. C. in a little over a year.

These are facts we must face. We can get out of this muddle if we will. If we will only for a time remember that it is we who are charged with the responsibility of passing the Nation's laws, not some bureaucrat who does not know whether it is night or day.

Again, the farmer who still lives on the farm is deeper in debt than he was 4 or 5 years ago. I am talking of averages. You take the average farm indebtedness of the farmers who still own their farms and you will find that the individual farm indebtedness has increased the same as the indebtedness of our own Government.

How about the prices of agricultural commodities? I want to make an honest comparison. Fairness is still fairness. Last year we approached very near the same level we reached in 1932. In my State last fall we were selling potatoes for 1 cent less a bushel than under the Hoover administration. We were selling them for 12 cents a bushel under this administration when the lowest we received before was 13 cents a bushel. The farmer had to pay the girls who picked these potatoes 5 cents a bushel, and had to pay 10 cents for the sack in which he put them. Then he sold the potatoes for 12 cents a bushel, which did not give him one cent for furnishing the seed, planting the potatoes, caring for and cultivating them, and taking them to market. At the same time oats were selling for 16 cents a bushel in my State, and corn for 30 cents. This condition cannot continue. We can stop it in only one way, and I shall show you before I get through how it can be done. The trouble with us is that we are repeating the same mistake that was made under the three previous administrations. They too had the laws written by the bureaucrats in the Department of Agriculture, and the Congresses then were not big enough to override these bureaucrats. Will we write this law, or will we accept the dictations of the Department of Agriculture.

There is not a Member in this Congress who does not know what the farmer wants. He wants cost of production for that part of his crop which is consumed in the United States. That is all, and that is fair. No honest man or woman can ask him to sell for less than it costs to produce. The farmer also wants the Frazier-Lemke refinancing bill. If we had given him these two laws in 1933 we would have saved this Nation at least ten or fifteen billion out of the sixteen billion we have been squandering for relief, and so forth. We have been hearing a great deal about who paid the processing tax. The Department of Agriculture led the

farmers to believe that the consumer paid this tax until the "crippled" A was held unconstitutional. Now the Department's own report, prepared by the Bureau of Agricultural Economics for the Treasury Department in 1937, states that the farmer paid the processing tax on hogs, rice, sugar beets, and sugarcane. They not only state that the farmer paid this tax, but they prove it.

On page 19 of this report and following we find this language:

The evidence presented in the foregoing analysis indicates that the direct effect of the hog processing tax was to cause prices received by hog producers to be lower than they otherwise would have been by approximately the amount of the tax. The evidence indicates, moreover, that processors of hogs and distributors and consumers of hog products were not materially affected by the tax. Although prices received by hog producers were lowered by the tax, the funds derived from the tax were returned to producers in the form of benefit payments. Such payments, added to the returns from the sale of hogs, resulted in a total income for hog producers as a group of about the same amount as would have been the case had no tax been in effect. These conclusions are based solely on the study of the direct effects of the processing tax, without consideration of the effects of the production-adjustment program.

This comes out of the report of the Department of Agriculture. I do not believe that the Secretary knows what is taking place in the different bureaus of his Department.

Here is a refutation of the statements made by the Department of Agriculture that the farmer did not pay the processing tax. Mr. Wallace's own department proves that he did. This report shows that the difference between the price of live hogs and in the finished product was 61 cents per 100 pounds before the processing tax was put on, and after the processing tax was put on the difference was \$2.95. This is the difference between the amount the farmer received for the live product and the amount the packer received for the finished product. It shows conclusively that the tax was charged back to the farmer, and it is so stated on page 12 of the report.

This bill will not get us out of the mire. It gets us in deeper. You have witnessed this afternoon, and so have I, a logrolling proposition, each section of the country thinking the other is going to get the best of it.

Let us do away with that and give to all the farmers the cost of production for all the products that go into interstate or foreign commerce. There are two bills before this House that would do this. Why should not the Committee on Agriculture take this bill back and consider those two bills, the Eicher bill and the Massingale bill? The authors are two good Democrats, and they know something about conditions. They are both from agricultural States, and they have come together and made one bill out of the two. Each has introduced an identical bill. They are H. R. 8521 and H. R. 8522. The bills are identical, and would provide for cost of production. Do this and you need not quarrel as to what section of the country gets the best of it. They will all be treated alike.

We have heard a lot of complaints about cotton. Let me tell you something about the cotton situation. Do you know that the testimony shows that there were 2,600,000 farmers raising cotton that do not produce over five bales per farmer? This means five bales for a farmer with a family of five on the average. What does this amount to? Five hundred pounds makes a bale. At 8 cents a pound, which is more than the present market has been, this is \$200. Then this bill would give them another 2.4 cents a pound for soil conservation, which makes another \$60. Then he may get 3 more cents per pound as a subsidy, which makes \$75, or in all, just \$335 gross for a cotton farmer, and there are 2,600,000 of them. How can he live on that, I want to ask you? We in the North have criticized the crop-sharing system in the South, and we are responsible for that condition. How much can a landlord get out of a tenant who only takes in \$335 a year gross, and the tenant and the landlord both have to pay their taxes? There is nothing for either tenant or landlord in the South under the present condition, and there will not be under the provisions of this bill. I am not surprised that the southern Representatives are opposed to the

bill, because it does not offer any relief to the North, South, East, or West.

It will make permanent slaves out of the American people in the South. Three hundred and thirty-five dollars gross to a family for a whole year's toil, and there are 2,600,000 of them who on an average do not raise more than five bales, according to the statement of our distinguished chairman, the gentleman from Texas [Mr. Jones]. This is less than 5 cents an hour for the men who toil and produce the things we wear.

Suppose we gave them 20 cents a pound as cost of production, how much more would that make your suit of clothes cost. In actual cotton it would not be 50 cents. The difference would be so small you could not figure it on a handkerchief. Why can we not get together and take the Eicher-Massingale bill and enact it into law? Then you will be through with this proposition once and for all.

This bill is for a continuation of regimentation with a vengeance. I am opposed to regimentation and I shall tell you why. We can blandly close our eyes and believe that these bureaucrats are all humane, but as a rule no farmer is listened to when he comes to the Department of Agriculture with a complaint. Here is the kind of document that they take from the farmers of my State, and yours, too. I hold in my hand a chattel mortgage taken by the Resettlement Administration on September 23, 1936, a little over a year ago, given by Mr. and Mrs. Wald, of McHenry County, in North Dakota, for a loan of \$185. Here are the things included in this mortgage for \$185. No banker was ever as greedy or brutal as this Department has been with respect to its unfortunate friends, the farmers. For instance, this mortgage for \$185 covers 6 horses, 30 head of cattle, 7 hogs, 5 bronze turkeys, and 50 white plymouth rocks, and all feed on hand or to be purchased with the \$185—and in addition, all increase. Here you have a mortgage that makes criminals of men. That farmer cannot eat an egg that his hen lays without violating the criminal law with respect to disposition of mortgaged property, because the egg when hatched produces the increase. His wife cannot take a dozen eggs to the grocer and get a pound of sugar without the grocer, if he knows it, as well as the wife being guilty of disposing of mortgaged property. The chicken, the increase, is in the egg.

But this is not all. In addition to the above the mortgage covers: Two John Deere 14-inch triple plows, one John Deere 5-foot mower, one John Deere 10-foot tractor-binder, one John Deere 27-foot tractor, two high-wheeled wagons, two grain tanks, one hay rake, one Kentucky 10-foot drill, one 10-foot hay rake, and one 24-foot harrow. They should have put in there also the wife and the children and mortgaged the whole thing.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman 1 minute more.

Mr. LEMKE. Mr. Chairman, the time has come for this Congress to reassume its independence and again write the Nation's laws. If this is done and the farmers are given cost of production for their products, then they will be able to pay farm labor a living annual wage and will absorb at least 3,000,000 of the unemployed, and our agricultural problem will be solved for a long time. The wheat farmer will get \$1.51 a bushel for his wheat and the cotton farmer will get over 20 cents a pound for his cotton, and he is entitled to it. No honest man or woman has a right to eat, drink, or wear the things produced by labor for less than the cost of production. Let us remit this bill.

There is the Eicher-Massingale bill, a cost-of-production bill, which will cost the country nothing, whereas under this bill you will pay \$1,000,000,000 before you are through with it—that as against nothing. The Eicher-Massingale bill will give to the farmers what they want in place of forcing our will upon them. They have been promised relief for 5 years. Let us make good; let us recover the football and make a touchdown with it. We have fumbled it long enough. We can do it now before it is too late. [Applause.]

Mr. DOXEY. Mr. Chairman, I yield 20 minutes to the gentleman from Nebraska [Mr. COFFEE].

Mr. COFFEE of Nebraska. Mr. Chairman, I am in general accord with the amendments to the Soil Conservation Act provided in this bill and with the loan provisions which would make possible a voluntary ever-normal-granary plan. I am favorable to the provision authorizing the Secretary of Agriculture to make complaint to the Interstate Commerce Commission for the adjustment of freight rates on agricultural commodities. I am heartily in favor of the provisions making funds available to search for new uses and new markets for farm commodities at home and abroad. I subscribe to the philosophy so ably expressed yesterday by our chairman with respect to the restitution that is due the farmer under our protective tariff system, for we cannot justify sectional or group benefits at the expense of others. We cannot expect the wheat farmer or the cotton planter to sell on the world market and buy in a protected market without receiving some restitution. Equality under the law is the inherent right of every American citizen. Agriculture must be given the benefits of our protective tariff system if that system is to accord equal benefits to all.

I am unalterably opposed to the marketing quota and penalty provisions in this bill because they can accomplish no beneficial results, but on the contrary can cause a tremendous amount of harm. Under the provisions of this bill, any farmer in the commercial corn area who sells or feeds corn in excess of his marketing quota would be subject to a penalty of 15 cents a bushel whether he is a cooperator or a noncooperator in the soil-conservation program. The same penalty applies to the wheat farmer who sells or feeds in excess of his quota. How many farmers in your district will pay such a penalty without a lawsuit?

At the appropriate time I expect to offer the following amendment pertaining to corn and wheat:

In title III strike out part II (relating to marketing quotas on field corn) and part III (relating to marketing quotas on wheat), and in section 381 strike out "field corn, wheat,".

This amendment would eliminate about 27 pages of this 86-page bill, beginning on page 28 and ending on page 54. It would eliminate all of the compulsory features of questionable constitutionality and practically all of the controversial provisions pertaining to corn and wheat.

By the adoption of this amendment the purposes of the bill can be more effectively carried out through voluntary rather than compulsory means. Unless these provisions are stricken from the bill the wheat and corn farmers of this country will be regimented and placed in a strait jacket, for their future operations will be under centralized, bureaucratic control which will lead eventually to a planned economy for all agriculture.

Of all the farm organizations in this country there is only one, the American Farm Bureau Federation, that is advocating the compulsory marketing quota and the penalty provisions incorporated in this bill.

The old Agricultural Adjustment Act was voluntary in that a farmer had the option of participating in the program. When these marketing quotas become effective he has no such option. He is forced to comply through the imposition of a penalty of 15 cents a bushel on the wheat and corn fed or marketed in excess of his quota. It is not the chiseler that I am trying to protect but the honest farmer who is trying to cooperate in meeting the difficult problem confronting agriculture. There are not 10 percent of the farmers who will be able to read this bill and the regulations that will follow and ascertain what their marketing quota on wheat and corn will be. It was suggested in our committee that a book of logarithms and a slide rule should be furnished to each farmer so that he could compute his marketing quota. These drastic provisions are un-American and unworkable. They will prove to be injurious to the small farmer and tenant who is not equipped to store his excess grain.

One of the main objectives of this bill is to obtain the full cooperation of the farmers in the soil-conservation program

which is designed primarily to conserve soil fertility and indirectly to prevent increased acreage of the soil-depleting crops. Payments will be made to those who comply with the program. It is expected that \$500,000,000 will be appropriated for this purpose under the authorization contained in the Soil Conservation Act, together with any additional revenue that the Ways and Means Committee may provide for this purpose. My contention is that the farmers will voluntarily comply with the program if it is properly explained to them, but just as soon as compulsory tactics are employed there will be such a rebellion against the program that the next Congress will be called upon to repeal these compulsory provisions. If additional funds are provided, they will furnish additional inducement for compliance. If additional funds are not provided, the reaction of the farmers to the bill will be unfavorable because of these objectionable features.

The Government has been making loans to farmers on corn stored on the farm during the last 3 years without the loss of a dollar. In 1933 corn prices were completely demoralized. Loans were made available at 45 cents a bushel when corn was selling at half this price in many localities. This was one of the most popular relief measures ever inaugurated by the administration for the Corn Belt. It made it possible for the farmers to carry their surplus corn over to the next year when it was badly needed on the farm, due to the drought that followed.

Weather conditions, not the number of acres planted, determine corn production. There have been only 2 years during the last 30 when the average price of corn on the farms in the United States declined below 50 cents a bushel, according to the 1937 agricultural statistics. Reasonable loans on corn are safe.

Marketing quotas are unnecessary. Give the farmer the opportunity to borrow a reasonable amount of money on his corn in the crib, and there will be enough corn voluntarily stored to prevent forced liquidation and demoralized prices. Forcing all farmers in the commercial area to seal up a certain percentage will have no greater beneficial effect on the corn market than if the same quantity of corn were stored by a fewer number voluntarily.

Very little corn is exported as corn. Most of it is exported in the form of pork, beef, and lard. For the last 10 years our exports of corn have averaged less than one-half of 1 percent annually.

There are some Members in the Corn Belt, I know, who feel that if drastic marketing quotas and penalties were provided in this bill it might be possible to obtain loans on corn in a higher amount per bushel than that which has heretofore been provided. Let us analyze the situation to determine whether such a policy would in reality be for the best interests of the corn producer. My State of Nebraska ranked third in the production of corn during the 5-year period from 1928 to 1932. This year because of the drought we have less than a third of normal production. Six counties in my district are in the commercial corn area. However, I know that the average Corn Belt farmer is more interested in the price of cattle and hogs than he is in the price of corn.

To give you the relative importance of the principal farm commodities in gross income for 1935 I quote from the 1937 agricultural statistics, which are the latest published, as follows:

1. Milk.....	\$1,680,000,000
2. Cattle and calves.....	920,000,000
3. Hogs.....	868,000,000
4. Chickens and eggs.....	871,000,000
5. Cotton lint and seed.....	698,000,000
6. Wheat.....	367,000,000
7. Truck crops.....	304,000,000
8. Corn.....	239,000,000

Ninety percent of the corn is marketed through livestock. Less than 20 percent is sold for cash. The uncertainties of a future price for feeder cattle and hogs have made the Corn Belt feeder hesitant in buying feeder cattle. Most of these cattle that fill the feed lots in the Corn Belt are grown

in the western range States, where many of them are selling at the present time at prices below cost of production. The consumer strikes in the East against high-priced meat are having a very detrimental effect not only upon the livestock producer but also upon the livestock feeder. Because a few highly finished cattle have brought high prices, an erroneous impression prevails that all cattle and meats are high. It takes a good many months to finish these high-priced cattle. Because of the drought and shortage of corn last year few feeders were willing to pay the high price for corn that was necessary to finish the prime beef that is on the market today. I know of no industry that has suffered more since the war than the livestock industry. They have had only 7 years of profit since 1920 and the producers have had only 2 years of profit since 1930.

The livestock industry is the backbone of agriculture. It is by far the most important phase of agriculture. To get a clearer picture of the importance of the livestock industry to the Nation, let me point out that in 1935 the gross farm income was approximately \$8,000,000,000, of which livestock and livestock products accounted for four and one-half billion dollars, and all farm crops, including forest products, totaled three and one-half billion dollars. In other words, approximately 57 percent of the national farm income was derived from the sale of livestock and livestock products. In my own State of Nebraska livestock and livestock products account for about 70 percent of our farm income, and in the western range States this percentage runs into much higher figures.

Livestock is produced in every State in the Union. It is one of the leading industries in most of the States. According to the 1933 figures of the United States Department of Commerce, listing the 10 first manufacturing industries in the United States, meat packing ranks first, followed in order by petroleum refining, steel works, and roller-mills products, with motor vehicles in fourth position.

In the 17 Western States the livestock industry is of greater relative importance than it is in the Nation as a whole. In many of these western counties sheep and cattle furnish the main source of tax revenue that maintains the county governments.

Abnormally high prices bring consumer resistance and curtailed consumption, which, in the long run, are to the disadvantage of the consumer as well as the producer. The livestock industry wants to maintain a fair price level for its products, to eliminate the periodic high and low prices that have been so disastrous to the industry.

Parenthetically, it might be of interest to you to know that the Federal Trade Commission's inquiry showed that in 1935 the producer got only 40 cents of the consumer's dollar spent for beef; 42 cents went to the wholesale and retail distributor; to the packer went 13 cents, and to the transportation companies, 5 cents. The producer is interested in reducing to a minimum this price spread between the producer and the consumer.

I have opposed every proposal for a processing tax on cattle. Any tax on a perishable food commodity, such as livestock products, if passed on to the consumer, would tend to curtail consumption. If it is not passed on to the consumer, it is taken off the producer in order to move the commodity into consumptive channels at a price the consumer will pay. Any obstacle or burden placed on livestock products tends to divert the consumer to competitive commodities.

It is desirable to encourage the consumer to purchase meat and dairy products in order to market advantageously our normal corn crop of approximately two and one-half billion bushels.

The livestock producer, feeder, corn grower, and consumer all benefit from stabilized prices. However, should loans be made on corn that would artificially maintain a price higher than the livestock feeder or producer could afford to pay, it would result in the use of competitive substitutes such as barley, sorghum, cottonseed, beet pulp, molasses, and various other substitutes that would tend to increase the amount of corn to be carried over into the next season. It would also have a tendency to wreck the livestock producer who ships

his feeder cattle every year to the Corn Belt. He cannot stop production. Consumer purchasing power, competitive imports, and competitive substitutes largely determine the price of fat cattle and hogs on the market. If the price of corn were artificially high in comparison with the finished product, such as beef and pork, the Corn Belt feeder could not pay a reasonable price for feeder cattle. The effect of an artificially high price for corn on the livestock industry must be considered. It would affect adversely the feeders in the Corn Belt as well as those in the range States. The result would be that the producers in the range States would perhaps use other means to fatten their cattle for direct shipment to the market and this in turn would affect adversely the corn producers in the long run by leaving them with a surplus of corn. This would be quite similar to what happened in cotton when 12-cent loans were provided a few years ago. The cotton growers are suffering severely today because of the loss of their normal markets which were in part lost through this policy.

Reasonable loans should be provided to prevent demoralized prices but they should not be high enough to encourage production for sale to the Government. If such a course is followed, and I believe such will be the policy on these commodity loans, it is clear to me that marketing quotas are totally unnecessary to safeguard these loans. Corn is selling at the present time in my district, in a county which normally produces more corn than any other county in Nebraska, for 65 cents a bushel. There is no reason to be unduly alarmed over a 2,600,000,000-bushel corn crop following a year when we were 1,000,000,000 bushels short. During the last 5 years, production has varied by almost a billion bushels from one year to the next. It will be necessary to control the weather before corn production can be controlled. However, the soil-conservation program will tend to hold acreage in line. Denial of soil-conservation payments and any supplementary funds will gain greater cooperation than the imposition of marketing quotas and penalties.

There can be no justification for compulsory marketing control on corn so long as we allow about a million pounds of canned Polish hams to enter New York harbor every week. This is the equivalent of hams from 60,000 hogs coming into this country every week. These canned hams are boned and cooked and wholesale for about 40 cents a pound. The tariff is only 3¼ cents a pound, less than 10 percent ad valorem.

This is typical of the low tariff that is provided on most of the livestock products. At the last session I introduced a bill that is pending before the Ways and Means Committee which would curb these imports and help to give the American farmer an opportunity to supply the domestic market.

The high tariff provided in general for industrial products and the low tariff provided on most agricultural commodities have tended to industrialize the United States at the expense of agriculture. Since 1922 the trend has been toward increased exportation of industrial products and increased importation of foodstuffs. The following tables indicate the situation clearly:

Industrializing the United States at the expense of agriculture

FOODSTUFFS

[In thousands of dollars]

Year	Exports	Imports	Excess of exports (+) or imports (-)
1922	1,046,598	717,228	+329,370
1924	966,183	946,473	+19,710
1926	838,068	957,635	-119,567
1928	760,488	955,706	-195,218
1930	541,183	693,573	-152,390
1932	241,537	406,891	-165,354
1934	226,908	517,861	-290,953
1935	215,990	641,157	-425,163
1936	201,902	732,336	-530,434
1937 to Nov. 11	173,434	698,568	-525,134

Industrializing the United States at the expense of agriculture—Continued

SEMIMANUFACTURES AND FINISHED MANUFACTURES
[In thousands of dollars]

Year	Exports	Imports	Excess of exports (+) or imports (-)
1922.....	1,730,037	1,215,624	+514,413
1924.....	2,198,720	1,405,234	+793,486
1926.....	2,612,328	1,680,961	+931,367
1928.....	2,976,354	1,669,004	+1,307,350
1930.....	2,410,891	1,365,174	+1,045,717
1932.....	820,955	557,558	+263,397
1934.....	1,220,671	657,525	+563,146
1935.....	1,343,048	814,927	+528,121
1936.....	1,446,400	955,656	+490,744
1937 to Nov. 11.....	1,693,443	905,755	+787,688

Source: Bureau of Foreign and Domestic Commerce.

Showing United States livestock producers losing foreign markets to other nations

MEAT AND MEAT PRODUCTS, INTERNATIONAL TRADE
EXPORTS
[In millions of pounds]

Calendar year	United States	Argentina	Denmark	New Zealand	Australia	Brazil
1919.....	3,118	1,596	34	552	521	254
1921.....	1,948	1,242	237	553	338	174
1923.....	2,342	1,853	492	405	212	250
1925.....	1,584	2,168	564	449	458	153
1927.....	1,290	2,280	682	441	321	93
1929.....	1,448	1,701	681	428	383	201
1930.....	1,183	1,552	875	514	344	288
1931.....	978	1,544	1,040	519	350	184
1932.....	865	1,436	1,025	581	446	116
1933.....	945	1,429	797	651	434	136
1934.....	785	1,404	612	625	432	149
1935.....	287	1,425	549	637	546	233
1936.....	279	1,437	489	645	479	215

Source: Agricultural Yearbook of 1934 and Agricultural Statistics 1937.

Showing United States wheat growers losing export markets to other nations

WHEAT—TOTAL EXPORTS OF PRINCIPAL EXPORTING COUNTRIES AND POSITION OF LEADING COUNTRIES
[Percent of total world exports]

Year	Total	United States	Canada	Argentina	Australia
Average:					
1909-13.....	745,194,000	13.5	12.2	12.8	6.7
1914-18.....	613,375,000	36.0	25.3	12.7	7.1
1924-25 and 1928-29.....	804,042,000	23.7	36.6	17.5	11.3
1929-30 and 1933-34.....	780,336,000	16.0	34.4	19.8	15.8
Crop: ¹					
1933-34.....	553,470,000	6.6	35.8	26.1	15.6
1934-35.....	533,651,000	4.0	31.7	35.0	20.2
1935-36.....	511,850,000	3.1	46.3	14.9	20.6

¹ Beginning in 1922, world exports compiled from June 1 to July 30 of each following year.

Source: Yearbook, Agriculture 1920-34, and Agricultural Statistics, 1937.

Exports and imports affecting directly livestock producers and indirectly corn producers

	Unit	Jan. 1-Sept. 30, 1937	
		Quantities	Amount
Domestic exports:			
Cattle for breeding.....	Number.....	2,256	\$295,433
Other cattle.....	Number.....	687	41,079
Beef and veal:			
Fresh or frozen.....	Pounds.....	3,624,128	623,926
Pickled or cured.....	Pounds.....	4,389,850	450,481
Canned beef.....	Pounds.....	2,066,804	646,300
Tallow.....	Pounds.....	187,021	23,644
Imports:			
Cattle for breeding.....	Number.....	8,913	903,445
Other cattle.....	Number.....	437,941	14,647,244
Beef and veal:			
Beef, fresh.....	Pounds.....	3,465,731	352,056
Veal, fresh.....	Pounds.....	139,718	12,592
Cured, fresh.....	Pounds.....	1,475,802	118,650
Canned beef.....	Pounds.....	70,328,004	7,258,503
Tallow.....	Pounds.....	3,588,723	192,971

Exports and imports affecting directly livestock producers and indirectly corn producers—Continued

	Unit	Jan. 1-Sept. 30, 1937	
		Quantities	Amount
Domestic exports:			
PORK			
Fresh or frozen.....	Pounds.....	2,468,622	\$423,379
Carcasses.....	Pounds.....	132,240	20,472
Loins and other.....	Pounds.....	2,336,382	402,907
Hams and shoulders, cured.....	Pounds.....	27,643,843	5,798,766
Bacon (all cured sides and backs) except pickled.....	Pounds.....	1,870,552	387,516
Cumberland and Wiltshire sides.....	Pounds.....	42,353	7,553
Other pork, pickled or salted.....	Pounds.....	6,042,032	775,014
Lard.....	Pounds.....	76,858,345	9,661,879
Neutral lard.....	Pounds.....	461,876	69,157
Imports:			
Hogs.....	Pounds.....	15,763,411	1,463,097
Fresh pork.....	Pounds.....	17,443,177	2,599,607
Meats prepared or preserved:			
Pork, hams, shoulders, and bacon.....	Pounds.....	36,584,508	9,946,588
Pork, pickled, etc.....	Pounds.....	4,511,677	1,148,030

Source: Bureau of Foreign and Domestic Commerce.

I believe in a protective tariff that accords equal benefits to all producers. The American farmer should not be expected to sell below cost of production in order to meet foreign competition on the domestic market.

The farmers and ranchers in my district, which comprises 32 counties in western Nebraska, are more interested in markets and in a fair price for their products than in Federal gratuities and control.

The marketing quotas and penalties provided for wheat will be ineffective in raising the price of wheat. The average wheat farmer is not equipped to store his excess wheat on the farm. If he should sell it he would be penalized 15 cents. If he should send it to some terminal elevator for storage under the quota provisions it probably would cost him about 12 cents a bushel per year. If he should manage to keep it on the farm the quality of the wheat would probably deteriorate. In any case it would be figured in the visible supply and would influence the market just as much as if it were sold in the first instance. Most of this surplus wheat would have to be exported because the domestic consumption of wheat varies only slightly regardless of price.

Under the philosophy of this bill it is not the intention to maintain the price of wheat above the world level. The world prices, as a consequence, will determine our domestic price level. Loans are provided to prevent the demoralization of prices. However, they will not be too high to prevent the orderly flow of the surplus into the world markets. Consequently these loans need not be contingent upon the imposition of marketing quotas.

Under the soil-conservation program, with an appropriation of \$500,000,000, the wheat farmer who cooperates in that program will receive about 12 cents a bushel on his production. If the Ways and Means Committee provides additional revenue for this purpose, he will receive additional benefits to supplement the soil-conservation payments. These payments will be denied him if he exceeds his acreage allotment under that program. Is that not penalty enough?

As in the case of corn, weather and prices are the controlling factors in the production of wheat. Because of several years of drought and a relatively high price for wheat this last year, farmers have already seeded a record acreage to winter wheat. Should there be a normal yield the wheat farmer will be faced with a price situation that he cannot control by marketing quotas. After this wheat is produced it will affect the market regardless of whether it is owned by the farmer or by someone else. The farmer should have the option of selling his wheat or withholding it from the market as he chooses. However, under this bill he could be forced, under penalty, to withhold up to 20 percent of his production, regardless of whether he has facilities to store this wheat or not. I can visualize only a lot of trouble for the thousands

of Federal employees charged with the duty of administering these provisions.

We can probably export only about 10 percent of our normal production of wheat. This exportable surplus is allowed to determine the domestic price level. It is a case of the tail wagging the dog.

A different approach should be made to try to reach parity price for the wheat farmer. In my judgment, legislation should be perfected that would make possible a dual price level. The wheat farmer is entitled to a parity price for that percentage of his production domestically consumed and an opportunity to compete in the world markets with the exportable surplus. It is unfair to expect the wheat farmer to fight to regain and retain world markets with a ruinous price on his entire crop. He can afford to do so with the small percentage exported.

Section 32 of the Agricultural Adjustment Act, which sets aside 30 percent of the customs receipts—approximately \$100,000,000 annually—for the use of the Secretary of Agriculture to remove surpluses from the domestic market, can and should be used to help maintain a dual price level for wheat by subsidizing the exportation of the surpluses when necessary. This fund has been of immense benefit to many commodities in distress. Under the provisions of this section the purchases which help to maintain prices may be diverted to relief channels, industrial uses, or may be exported. The soil-conservation program is designed as a voluntary aid to farmers to hold crop production in balance and to maintain soil fertility, but it cannot prevent disastrous price slumps. The fund provided by section 32 can be utilized to remove price-depressing surpluses. This is the fund to which the livestock and dairy industries must look for help in case of emergency.

I was very glad to hear the chairman state yesterday that he would not favor any further legislation earmarking this fund for any particular commodity, as was done at the close of the last session for cotton. This fund is beneficial primarily because of its flexibility and can be used to take care of commodities in distress, provided there are not too many of them in distress at the same time. The allocations are made by the Secretary of Agriculture and can be used to take care of emergencies without waiting for Congress to act. I am hopeful that Congress will maintain the integrity of this fund and never again allow any of it to be earmarked for any particular commodity. It should be kept available for the benefit of all commodities in proportion to their needs and general economic importance.

Subsection C of section 421 of this bill makes sums appropriated pursuant to subsection A available for the purpose of further carrying out the provisions of section 32 of the A. A. A. This is a very important provision and, no doubt, will augment materially the funds now available under section 32, under which the Secretary of Agriculture could put into operation the domestic allotment plan on one commodity and an export bounty plan on another or a combination of the two. There is wide latitude in these provisions, with which I am in accord.

If you will vote to eliminate the marketing quotas and penalties, you can vote for this bill with a clear conscience. By striking out these provisions the effectiveness of the bill will not be impaired but will be enhanced because of better cooperation from the farmers, who rebel against any form of compulsory bureaucratic control.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. KINZER].

Mr. KINZER. Mr. Chairman, after days and weeks of continuous and diligent labor H. R. 8505 has been reported to the House for consideration. This bill bearing the label the "Agricultural Adjustment Act of 1937" is presented without that thorough deliberation and benefit which follows public hearings of those most interested and affected by it—the farmers themselves or their representatives. No public hearings were held, and the bill is not satisfactory to nor endorsed by any of the agricultural groups of our country.

LXXXII—36

It represents a new philosophy tending toward a complete dislocation of agriculture in the United States, with an increasing import from other countries of the very agricultural products we produce, and which under this policy we will be forced to reduce.

Agricultural-production control, reduction, and penal regimentation will result only in further giving the American market to foreign countries and sure reduction and speedy disappearance of our export market.

A compulsory and coercive agricultural program administered by the Secretary of Agriculture will destroy thrift, initiative, self-reliance, and the very independence of the farmer.

This bill is a plan to regulate and control agricultural production; it is an unconstitutional delegation of authority beyond the statutory power of the Congress.

The farmers of my district do not want crop control. This was conclusively evidenced only last spring when a delegation of 1,200 of them attended a session of the Pennsylvania Assembly and there registered their objection to agricultural control and regimentation.

The farmers of my district are about 14,000 in number, with a farm acreage of almost 1,000,000 acres, representing a farm value of over one hundred and thirteen and one-half millions of dollars, with a corn acreage of over 150,000 acres, and a production in excess of 6,000,000 bushels of corn; these farmers and their ancestors have for 200 years been conserving their soil by wise crop rotation and soil fertilization.

These farmers, by their independent thinking and action, have been the stabilizing anchor and force that has made my State and this Nation.

Agricultural production, not price, is wealth. Surplus production is itself wealth.

But let our farmers and not Secretary Wallace, nor any other governmental agency, handle the farmer's own surplus production or capital; he can do it better.

Plenty produced at fair cost is better than little or scarcity produced at high cost.

The philosophy and plan of this bill would shackle and throttle agriculture, and its compulsory acreage reduction and marketing control means only serfdom and despair for the farmer.

Why under our Constitution shall the American farmer not be permitted to possess, use, plant, harvest, and enjoy his own farm?

Congress has conferred upon the President absolute and complete power to fix the value of our dollar; to control our banking and credit; to spend untold sums of the taxpayers' money where, when, and as he chooses; to control and regulate our commodity and stock markets; and now, when our Chief Executive, by his own planning, has brought on our present industrial deflation, to seek by this bill the complete dictatorial power over our entire agricultural population, it seems to me that we should stop this kind of legislation and direct our attention toward a constitutional approach and solution of the problems of agriculture.

If given a fair break, with proper and adequate tariff protection against the ever-increasing imports of foreign-produced agricultural products and a reasonable aid toward extending domestic and foreign markets for our surplus, we will have gone a long way toward aiding the farmer of the United States. [Applause.]

Mr. KELLER. Mr. Chairman, will the gentleman yield for a question?

Mr. KINZER. Yes.

Mr. KELLER. What do you suggest as a remedy for our present difficulty?

Mr. KINZER. I would take up our reciprocal trade agreements first. I would save our American markets for the American farmers.

Mr. KELLER. Would you repeal any of the Government control of the banking situation of the United States, which you have criticized?

Mr. KINZER. Yes.

Mr. KELLER. You would?

Mr. KINZER. Yes.

Mr. KELLER. When the farmers had control and exercised full control over their own business and their own prices, we had 13-cent corn. Would you go back to that?

Mr. KINZER. No, sir. We do not need to.

Mr. KELLER. How would you keep from it?

Mr. KINZER. By saving our markets for American products; not importing them.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan [Mr. HOFFMAN].

BILL DOES NOT SATISFY ANYONE

Mr. HOFFMAN. Mr. Chairman, those who have listened to the debate must be convinced by this time that very few, if any, are satisfied with all of the bill's provisions. Taken as a whole, few, if any, and I recall none, have expressed approval of the measure.

Whether that dissatisfaction be due to the fact that it embodies the ideas of the department heads or department subordinates rather than the ideas of Congressmen, or whether it be due to the widespread and sincere conviction that its enactment and enforcement is contrary to the fundamental principles of our Government, and that by it and through it we are attempting to legislate all into prosperity—an economic and physical impossibility—is a question we need not determine.

It is sufficient to know—and many of us do know—that if the bill be passed it will be enacted into law, not because it embodies the convictions of the majority of Congress but because many still believe it is better "to do something," even though the "something" gives promise of harm, rather than to face the facts as they exist.

CENTRALIZATION OF POWER

If we believe in the centralization of power in the hands of the Federal Government at Washington to control the activities of the farmers, we should vote for this bill, for that will be one of the inescapable results if it be enacted into law and enforced.

PRICE FIXING

Those who believe in "price fixing" will probably vote for the bill, although history demonstrates that its enactment will not accomplish that purpose.

The distinguished chairman of the committee yesterday cited the edict of Caius Diocletian, Emperor of Rome from 284 to 305, which attempted the method of price-fixing in 301.

An editorial of the Saturday Evening Post in the issue of December 4, 1937, cites Brazil's 7 years' effort—14 in one State—to peg the world's coffee price and its abandonment of that method in November of this year, and the fact that notwithstanding the destruction by Brazil of nearly seven and one-half billion pounds of coffee during that period, the Government was left with two and one-half billion pounds on its hands. Each of these efforts failed. Why should we try it?

Naturally we cannot have price fixing, even within our own borders, without control of production; hence those who believe in the doctrine of scarcity will probably vote for this bill.

Those who believe that the end justifies the means and that we should periodically take from all those who have and distribute to those who have not, regardless of the lack of industry, of the lack of the practice of self-denial on the part of those who have not, should vote for this bill, for, in some degree, it takes from one class to give to another.

DESTROYS THE LIBERTY OF THE PEOPLE

Followed to its logical conclusion, this leads to that condition where the state is supreme and the individual accepts from day to day that provided for him by the state and performs the task designated by the state—a fact which those who are continually seeking to vest more power in the bureaucrats in Washington should not forget.

It was President Roosevelt who, in his annual message of January 3, 1936, said:

But in the hands of political puppets of an economic autocracy, such power would provide shackles for the liberties of the people.

On another occasion, March 2, 1930, while Governor of New York, in a radio address, he said:

To bring about government by oligarchy, masquerading as democracy, it is fundamentally essential that practically all authority and control be centralized in our National Government.

This bill, under the guise of assisting the farmer, places him under the control of the oligarchy existing in the Department of Agriculture. The Secretary of Agriculture seeks to be the farmer's boss.

REGIMENTS THE FARMER

Those who believe that, although a man may by his toil have wrested a farm from the wilderness, paid taxes upon and cultivated it throughout a lifetime, should no longer be free to sow, to harvest, and to market the fruits of his toil in accordance with his individual desire, should vote for this bill or the Senate bill, for, if the theory become practice, the man who has heretofore, through his own efforts and the grace of God, become the owner of a part of the earth, who has tilled that land and harvested the crops, supported himself and his family and contributed toward the support of the city dweller can be fined or thrown into jail if, in the use of that land, he disregards the edict of a Government representative.

THE PRICE THE FARMER PAYS

Those who believe that it is a fair bargain to sell the independence, the self-reliance, the freedom of the farmer for a bounty collected from consumers and paid to the farmer for limiting production, should vote for this bill.

The bill is another step toward the regimentation of our people; hence, those who believe that a centralized government should prescribe our goings and our comings, the way and the manner in which we transact what has heretofore been considered our individual business, will vote for this bill.

During the debate it has been said, and truthfully so, that manufacturers and laborers in factories have in the past been protected by laws which compelled the payment of a duty upon the importation of manufactured products.

Unfortunately, far too often these laws have been cited as an example of aid extended solely to the manufacturer. While a manufacturer did profit, while these laws did aid him in establishing his business, it is just as true that they created jobs which otherwise would not have existed and that, although, because of them, farmers in the beginning paid a higher price for some of the things they purchased, in the end, the development of industry proceeded so rapidly and grew to such proportions that the people of our country were enabled to purchase and enjoy more of the good things of life than those of any other land.

Equally true is it that the farmer has, to a certain extent and until recently, been protected in like manner.

There is some justification in contending that, if the Government is to aid some manufacturers by permitting them to fix a price below which their product cannot be sold, the farmer should have like privilege. In my judgment, we made a mistake when we granted that privilege to the manufacturer.

There is reason in saying that, if the Government is to fix the price at which coal, for instance, may be sold, then with equal propriety may the prices of farm products be fixed.

In this connection, it should not be forgotten that by fixing the price of coal, the market will be, if it has not already been, reduced; that, in a similar manner, the world's cotton market was lost to the South.

If the Government, or a union with the sanction of the Government, is to fix a minimum wage and maximum hours for the man who works in cities, then there is no reason why a like policy should not apply to the farmer.

Here again it should be noted that the enforcement of the recent demands of the C. I. O. has done much to cripple the motor industry in Michigan; that the papers of last week carried the information that 10,000 of 55,000 workers in Chrysler had been laid off; that 1,500 upholsterers in another factory were out of employment; that 100,000 workers were laid off in October and 400,000 in November; that, more recently, 500,000 in steel were idle.

How much of this unemployment is due to price fixing, how much to wasteful spending, how much to lack of confidence, to uncertainty as to the Government's attitude, it is impossible to determine. No doubt each factor contributes to the result.

There always has been and there undoubtedly always will be a striving by particular groups to advance their own interests and these efforts are commendable, except as they interfere with and retard the progress of the people as a whole.

The determination of when these efforts are justifiable is the task which many times seems insurmountable and which, week after week, here in Congress confronts us and demands solution.

It is my humble judgment that, if we would lessen the cost of our Federal Government and relieve the individual from excessive taxation brought about by the ever-growing effort to prescribe and control the individual's private affairs, we would be a long way on the road toward the solution of our trouble.

This does not mean that the Federal Government should not, through research and scientific efforts, point the way toward a more economical and efficient way of doing all things. Advice and information of those skilled in scientific research are of inestimable aid. But, when the course has been charted, the individual should be left to work out his own salvation.

Federal Government should confine itself strictly to governmental affairs and by this I mean the enactment and the enforcement of those rules of conduct which apply to all our people and which control and regulate them in their relationship with each other. It should not, under any circumstances, seek to perform for the individual any task which he can do for himself, nor should it compete with him in his business affairs.

Federal Government should at all times prevent monopolies and the overreaching of large corporations and trusts. The administration's recent announcement that antitrust laws are to be enforced and monopolies prevented, if followed by action, again will do much to aid the individual and these efforts should have our hearty support and cooperation.

This bill, as stated, is based upon the theory that a scarcity or, if you please, a sufficiency of those things which our people demand is better than an abundance or at times an overproduction.

With that conclusion I cannot agree. Rather do I follow the theory of Henry Ford, which seems to be that the production of more and more goods of better quality at a lesser price to the consumer and the payment of a higher wage to the worker is desirable and will enable everyone to own and enjoy more of the good things of life.

To me there is nothing new or novel in this reasoning. No one can starve because of an abundance or because of overproduction.

As a boy I took grandmother's eggs to market in her home-made wicker basket. She was credited with 6 cents a dozen in trade. Prices for other farm products were on a similar basis. Yet she and grandfather, starting with nothing, with only the labor of their hands and the assistance of their children, through industry and thrift, never hungry, never cold, always able to contribute something to their church, left this world, not wealthy but with 300 acres of good land and money in the bank.

It should be noted that the money that came into their possession was spent only for essentials and that always less was spent than was earned.

NO PROTECTION GIVEN CONSUMER, SALARIED WORKER

What becomes of the widow, the aged couple, the orphan children, those who are living upon a fixed income, when prices of necessities go up? They have less to eat; they have less to wear; their money purchases less fuel, and they are denied all forms of entertainment and amusement.

What is the difference in the end, if all prices be low instead of high? What difference does it make, if a laborer receives but a dollar a day and meat be 10 cents a pound and all other prices on what we now call a parity?

How much better off today is the worker in Ford who receives an average of 90 cents an hour, \$7.26 a day, when his wife discovers, as she goes to market, that a dollar of the greater wage purchases less to eat and to wear than did a dollar of the lesser wage in days gone by?

Here to me seems to be the nub of the whole thing. We have for many years been yielding to the demands of various groups for special privileges. The result is that we give to one group a law enacted for the benefit of that particular group alone. Immediately we are met by a demand from another group that it be granted a special privilege—each group profiting for a time at the expense of all others, until today we have reached the position where we are attempting to raise the wage of the factory worker, to increase the price of farm products; and it is doubtful whether we have succeeded or will succeed in balancing the scales so that the dollar of one will be on a parity with the dollar of the other.

And of course the manufacturer, in the meantime—and the distributor as well—if he continues in business, must add the cost to his product, and we have left that great body of consumers, which belongs to neither class, without relief.

Just as surely as day follows night, if we continue, we shall at last starve to death or reduce to a bare existence those millions who are on fixed salaries, who are neither wage earners in factories nor producers upon the soil.

Just a short time ago we were told that prices were too low; that the purchasing power of the people must be increased by the raising of prices. Time and again have gentlemen on the majority side of the House pointed with pride to the fact that prices were increasing and they did increase, until we were met with the statement that prices were too high.

Recently the President called for an inquiry into the cost of living, the inference being that food costs were too high.

PRESIDENT INCONSISTENT—PRICES UP OR DOWN

On April 25, 1936, in New York, the President told us that "reduction of costs of manufacture does not mean more purchasing power and more goods consumed—it means just the opposite."

Put in a different way, what he said was that, as we reduced the cost of goods, people bought less and consumed less.

In his message to Congress last week he said: "In the budget of the great mass of our families the point is quickly reached where increased costs mean reduced consumption" and that "reduced consumption, in turn, means a decline in someone's business and someone's employment."

This, put in other language, means that where you increase the cost less is bought and used—a truth we all know, but directly contrary to what he said in April of 1936.

In April he said that a reduction in cost did not mean more purchasing power—it meant less purchasing power. Last week he said that increased cost meant reduced consumption and less purchased.

Sometime he should make up his mind as to whether prices should be up or down. One who does not know his own mind should not ask others to follow him, to create prosperity by the enactment of a law advocated by him.

Yet, in spite of his last statement that increased cost will lessen consumption, we find him calling us back here to pass the wages-and-hours bill, which everyone concedes will add to the price of the things we all buy, and will lessen consumption, create unemployment.

The farm legislation which the President called us back here to pass is for the avowed purpose of establishing crop control and the ever-normal granary, the effect of which it is hoped will raise the price of the things the farmer grows. It necessarily follows that there will be an increase in the price of food.

Would it not be well to cease our efforts to fix prices of necessities, a historically demonstrated unsound procedure, and direct our efforts toward lessening the burden imposed upon the farmer, thus giving him parity purchasing power?

The President's message of yesterday called attention to the well-known fact that the building industry, since last spring, had been paralyzed because of the excessive cost of materials and the cost of construction. There was nothing new in that statement. All have known it for many months.

There are many injustices in this bill itself which should prevent its passage. The unfairness of paying a bounty to or subsidizing the cotton grower, permitting him to take, as it is estimated, millions of acres out of cotton production and to use that land for dairying or production of other agricultural crops, which would bring it into direct competition with other agricultural products, should be evident to everyone. The gentleman from Wisconsin [Mr. BOILEAU] just pointed out the unsoundness of that procedure.

The same thing might be said of the unfair manner in which the fruit growers are treated. Benton Harbor, in the Fourth Michigan District, is the greatest fruit-marketing center in the whole world. Shall the market of the farmers of that section of the country be destroyed or invaded by fruit grown on lands owned by those who have been paid a subsidy to take them out of cotton, wheat, or corn production?

WASHINGTON PEARS SHIPPED TO MICHIGAN

The injustice of the Government's methods is illustrated by the fact that this last summer a carload of pears from Washington State was shipped across the continent to be distributed by the welfare agency in Benton Harbor, when hundreds of bushels of Michigan pears lacked a market. Undoubtedly many instances of such methods could be cited.

Another feature of the bill which is subject to criticism is in the way in which the elections will be conducted. If the methods heretofore pursued by Government agencies are followed, such elections will offer an opportunity for fraud, and will not disclose the desire of the farmers of any locality.

Note the criticism made by a farmer of the Fourth District. First, the ballots are required to be signed by the farmer. This, we all know, destroys the secrecy of the ballot. Second, the ballots are not counted locally, but sent to Lansing, in my State, for tabulation. This opens the way to fraud.

The names of those who vote against the adoption of the plan are known to Government officials who are endeavoring to establish it; hence the dissenters may be penalized. All concede the unfairness of permitting a count by those whose jobs may depend upon the adoption of the plan.

This bill, if enacted into law, will be used just as relief funds were used—and I have the documentary proof—to further the interests of the party in power.

It is not necessary at this late day to point out that here again Government funds will be used to purchase votes. In my State and in the Federal statutes is a provision which prohibits bribery. It is bad enough, wicked enough, criminal enough for the briber to use his own money for that purpose, but when the Government collects the money of its citizens for one purpose and uses it to perpetuate itself in power, the depths of infamy have been reached.

Senator CARTER GLASS it was who said that—

The last election was carried by people who were getting favors from the Government, people who were subsidized by the Government, people who were on relief rolls.

CONTROL OF FARMER FROM WASHINGTON

The worst feature of the whole bill, however, is this: It will bring the last great independent group, the group which has always been the foundation rock upon which our Government relied, the group which has stood unswayed by political storms, under the direct control of Federal politicians and officeholders.

When, throughout the country, there go about men who can, and will, tell the farmer what and how much of a crop he can grow and market, then we have reached the beginning of the road which leads to the destruction of democracy.

That this is not a baseless fear is evidenced by the contracts which those in the State of Michigan were compelled to sign with the Rural Rehabilitation Corporation. One who borrowed from the Government on those contracts was forced to sign this statement:

I agree that at any time prior to the final liquidation of my loan from the Rural Rehabilitation Corporation to do nothing that is in opposition to the A. A. A. program.

The man who signed that contract bartered away his political freedom, and many times he did so through necessity, of which necessity this great Government of ours took advantage.

That the Government will take advantage was well shown by the gentleman from North Dakota [Mr. LEMKE] when he exhibited here the form of the chattel mortgage prescribed by the Federal Government for borrowers when they obtained loans. As the gentleman said, no Shylock of a private banker would have presumed to exact so much security for so small a loan. This same procedure was followed in Michigan.

So here, under this bill, those who accept benefits will ultimately find themselves in the position of agreeing to support any and all policies of the Secretary of Agriculture, regardless of the effect upon them, of their right to cultivate—yes, to own—the land for which they have paid and which they have held for many years.

Within a month, in Michigan, orders have gone out which prevent local E. R. A. and N. R. S. officials from giving out any information as to certain activities conducted by them.

When did our people give to their officials the right to deprive those who furnished the money the information as to when, how, it is spent?

THEY SHALL NOT RUSSIANIZE US

Other nations across the sea, one in the Western Hemisphere, have entered upon this road. We who value our independence, however alluring the prospect, however attractive the result as a vote-getter, as an assurance of reelection, should not betray our country by accepting this liberty-destroying measure.

Mr. CHAIRMAN, I yield back the balance of my time. [Applause.]

Mr. DOXEY. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Chairman, I simply want to protest against making these speeches and denying the right to ask questions about them. It seems to me childish. We cannot get anywhere with such a practice. You could write a speech and put it in the RECORD. If nobody has an opportunity to ask questions, what does it amount to? Not a thing.

Mr. MICHENER. Will the gentleman yield?

Mr. KELLER. Yes; I will.

Mr. MICHENER. I tried to get that same result yesterday when the chairman of the Committee on Agriculture had the floor, and I asked him to take a little time out of the 3 days to explain the bill and answer questions, rather than just make a general speech. The chairman of the committee who controls the situation said there would be other men who understood the various phases of the bill who could explain it and who would explain it, and he refused to yield.

Mr. KELLER. I am sorry he did refuse to yield.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HOFFMAN. Will the gentleman yield?

Mr. KELLER. Yes; I will if I have the time. These questions ought to be answered.

Mr. HOFFMAN. May I have just a half minute?

Mr. DOXEY. I yield the gentleman one-half minute.

Mr. HOFFMAN. If you will stay after we adjourn and the other boys go home, so far as I am concerned, I will be glad to be of any assistance I can.

Mr. KELLER. It is not worth the loss of time. [Laughter.]

[Here the gavel fell.]

Mr. DOXEY. Mr. Chairman, I yield 20 minutes to the gentleman from Missouri [Mr. NELSON].

Mr. NELSON. Mr. Chairman, Congress is today dealing with a most important matter, one with which the entire Nation is concerned. Upon the proper solution of this problem depends the happiness and prosperity of millions of people. The Agricultural Committee, under the able leadership of Chairman JONES, and after weeks of work, characterized by an earnest desire to do what is right and

best, has reported out a bill. I desire to discuss this, but before doing so, I wish to make a few general statements. I speak somewhat in the past tense, as, for the present, at least, the die seems to be cast.

I prefer to give voluntary control a further trial, to exhaust all the possibilities before accepting compulsion, a plan which apparently means different things to different people.

Simplify the farm program so that it can be understood [applause], cut the administrative costs so that more of the money appropriated will go to the farm family, talk less about Government control and more about agricultural cooperation, stimulate home consumption and foreign demand as relates to America's surplus farm products [applause]; in short, simplify, save, ship. If in such a program there can be found a permanent solution of the farm problem, happily, not so serious now as in 1932 when darkness was "Hoovering" over us, it will be far better than court trials with fines of from \$100 to \$1,000 assessed against farmers.

Let the farmer who is doing a good job alone. While denying to another farmer the right ruthlessly to destroy the productive powers of his land, give to him the widest safe latitude in making decisions, including choice of crops. Encourage rather than coerce. Help the man who is willing to go along. Help him, not as a permanent proposition, but only until he is able to help himself. Maybe he asks for a planned program. If so, and if this involves terracing, the use of lime, or any other reasonable expense which has been foregone because of the farmer's inability to meet such expenses, the Government well may assist.

Do these things; let the farmer continue to make his own decisions, so long as he does no wrong to his soil or his fellow man, and I dare predict that within a few years, at most, there will be heard no more talk of compulsory crop control with fines for farmers. Nor will the farm program demand as much money as now.

I have expressed my preferences. I have stated my conscientious convictions. But I am only one of the 28 members of the Agriculture Committee—but one of the 435 Members of the House of Representatives. I am not to have my way. True, I cannot see in present proposals as carried in this bill a permanent solution for the ills of agriculture. I may be wrong. Others may be right. So, as one whose heart interest and money interest—little of the latter—is in agriculture, as the representative of one of the very best farming districts in the United States, I expect to vote for the best farm bill that it is possible to get. I qualify this, though, by repeating that I shall never sanction a section proposing court trials and fines for farmers.

A while ago I referred to the high overhead cost of the soil-conservation program—more than \$40,000,000—\$40,313,451.84, to be exact—to handle less than \$400,000,000—\$397,634,419.11, to again be exact. More than 10 percent. This is too much, far too much. One explanation as to why, during the last year, it took more than a dime to get less than a dollar to the farmer is, I feel, to be found in the cloudy and confusing manner in which legislation is written. A Philadelphia lawyer could not tell the meaning of some sections. Had less time been required for explanations and clerical work on the part of committeemen, accountants, stenographers, and others, millions of dollars might have been saved.

Speaking of the cost of the farm program, I am not impressed with the complaint uttered by a high-tariff beneficiary to the effect that the farmer is being given a subsidy amounting to hundreds of millions of dollars.

First, the farmer has long been placed at a disadvantage because of the Government's tariff and public-lands policies. While I should like to see every subsidy which bears heavily on the backs of our people discontinued, I would not begin with agriculture. Instead, I feel that a partial compensation for tariff costs, a large part of which the farmer pays, is found in payments made for soil conservation.

Speaking of subsidies, the dollars which go to farmers can be seen and counted, while the cost of tariff protection to other industries cannot be accurately measured. Calculated

by customs receipts, we are told Americans paid \$486,356,999 for the protection of home industries during the fiscal year ending June 30, 1937. Of course, the Nation will never know the exact amount paid for the encouragement of home industries, because, to quote an eminent authority:

The amount of the subsidy is not what the Government collects but rather what the Government does not collect.

Without entering into a discussion of the tariff, I pause to say that any permanent worth-while farm program must include a reduction of the tariff, looking to a restoration of foreign markets for our lard, pork, wheat, and other surplus farm products. We must get rid of the "half insane policy of economic isolation," to quote Secretary of State Hull, who is doing so much to help.

As stated, I cannot be overly optimistic about the present bill, helpful though I truly hope it may prove to be. Practically my entire life thus far has been devoted to farming and the farm cause. For a long time I have been a member of the Agricultural Committee. I remember the Hoover Farm Marketing Act. No farmer can forget it. All remember the ruin it wrought in connection with the Hawley-Smoot Tariff Act. To those measures, enacted in the name of agriculture, was due much of the farm disaster which followed.

I realize that I must hasten to refer specifically to some features of the bill under discussion and especially as relates to corn, but there are some other things which I wish to say.

Prices have frequently been mentioned during the debate on this bill, and prices are important. It should be understood, however, that it is not alone the price of the product, but the purchasing power of the profit—get that, the purchasing power of the profit—that determines prosperity. If the crop costs more than it will sell for, or if the price of the manufactured article is higher in proportion than that of what the farmer has to sell, times are tough for the farmer.

Farm prices, like other prices, may even be too high, resulting in decreased demand or use of substitutes. Again, the average farmer, and especially the livestock feeder, who, I feel, is due more consideration than he has received, is hurt just as much by \$1.45 corn as when corn sells at 15 cents per bushel. Incidentally—and I would emphasize it—the best proposal in this bill—and I hope it works—has to do with stabilizing agricultural prices, preventing them from going too high or falling too low, provided, of course, they are kept above the cost of production.

No legislation, no one measure or many, can cure all farm ills. Common sense, a willingness on the part of many agencies and individuals, those who, for instance, propose boycotts on meat and at a time when the livestock farmer is actually receiving less than cost, might work wonders. False and hurtful antifarm propaganda ought to cease. Here is what I mean: A columnist a short time ago stated that while apples in Illinois were rotting under the trees or offered at 25 to 35 cents per bushel, stores in Washington were demanding 25 cents for 6 pounds. The truth is that today good Winesap apples are being sold at 79 cents per bushel. Another reference is to steak at 84 cents per pound, whereas today a reputable Washington grocery firm advertises porterhouse steak at 37 cents.

A word more: If more dwellers in the big cities would cease chasing the seasons around the globe in search of foods then available only at high prices—for instance, fresh fruit from Asia or Africa in January—and order thick, juicy steaks instead, the farmer and everybody else would be benefited. Why not go American?

But as to this farm bill, it is not perfect. It is a compromise—not altogether a "Missouri compromise." Incidentally, if it pleased Missouri perfectly, it should be fairly acceptable to all other States, for Missouri grows wheat and corn, tobacco and cotton. It is probably the best bill that could be reported from our committee, passed by the House, and approved by most producers.

The House bill differs from the Senate measure, the Pope-McGill bill, principally in that it is less stringent. The quota requirements are more liberal. The penalties are less. Nor

is there any such provision as is found in lines 1 to 5, page 58 of the Senate bill to the effect—and I read:

Any person who knowingly violates any regulation made by the Secretary pursuant to this section—

This is the section relating to marketing quotas and excess marketing penalties—

shall be guilty of a misdemeanor, and upon conviction shall be punished by a fine of not more than \$100 for such offense.

Then, too, the House committee approves no \$500-fine provision for failure to make reports or keep records as carried near the bottom of page 58 of the Pope-McGill bill. It also disapproves the two separate provisions for \$1,000 fines referred to on page 91 of the Senate measure. In brief, the House bill recognizes the fact that this is America, not Russia.

As a member of the House Committee on Agriculture, I preferred control through the withholding of privileges, or, to a limited extent, the payment of premiums, rather than through penalties or punishment. As to fines, such as those to which I have just referred, I will never vote for any bill carrying such features.

I come now to refer to corn, because as a member of the corn subcommittee I am more familiar with this subject. Because about 90 percent of the corn crop is marketed on foot, principally as beef, pork, and mutton, our committee had a most difficult task.

The marketing quota on corn, as relates to the 10 States in the commercial corn-producing area, is not to be put into effect until the growing crop and carry-over together amount to as much as 15 percent above normal—in other words, about 2,900,000,000 bushels, or, to be more exact, as I recall, 2,858,000,000 bushels. This means that, except in years of big crops, every farmer may market all his corn as he pleases. Some prefer a low figure, so that marketing quotas would be in effect much of the time, perhaps most of the time. I do not. I like the larger farm freedom.

In this connection, the Washington Post of today says:

H. R. Tolley, A. A. A. Farm Administrator, appealed for "moderation" in enactment of a farm bill. In a radio speech from Chicago, Tolley said marketing quotas should be self-imposed by farmers only when normal supplies are running over. He said "compulsion" should be limited to penalties on sales over such quotas.

It might further be said Mr. Tolley, in response to a question, stated to the Agricultural Committee that the 15-percent-plus figure, as agreed upon in the House bill is satisfactory.

In the minority report, and arguing in opposition to the plan proposed for designating certain States as in the commercial corn area, the corn production for about a dozen other States is given, apparently to suggest that they are great corn States. The fact is that 14 of the 114 counties of Missouri have grown more corn than any one of the States named.

Not only does the Pope-McGill bill propose to put quotas into effect earlier, wheat and corn on a 10-percent-plus basis, but the penalty for overmarketing is much heavier, one-half the parity price—it would be a forty-odd cents on corn—instead of 15 cents per bushel as carried in the House bill. No; I did not favor the 15-cent penalty. There is no corn-marketing quota where normal acreage production is less than 400 bushels nor where the amount to be stored would be less than 100 bushels.

As to quotas, they cannot be continued unless approved by at least two-thirds of the farmers concerned.

Just here I would say that I favor the largest possible degree of farmer control in any farm program. In the House bill this is provided in increased measure.

Both House and Senate bills properly continue the soil-conservation program, and carry provisions for loans. The latter is in keeping with the proposed ever-normal-granary plan, an ancient plan referred to in the forty-first chapter of Genesis, and long ago represented on farms of the United States by log cribs or rows of rail pens heaped high with corn.

I have consumed my allotted time, yet scarcely touched the subject. In conclusion, I urge that, regardless of personal preference or politics, we do our best to aid agriculture, the basis of all business. I hope and trust, though, that, to use the words of President Roosevelt in his message to the Congress on yesterday, it may be done "in the characteristic American way." [Applause.]

[Here the gavel fell.]

Mr. KINZER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, this ought to be a day of great rejoicing on the part of the Democratic side of the House. I am surprised to find the Congress changed into a sort of wailing hall because of the situation in which the cotton farmer finds himself today. For 150 years you have enjoyed a wonderful market for your cotton, a foreign market. Not so very long ago you enacted a cotton bill that invited the competition of the world. You had a surplus crop and you decided that you would back away from the world market. Just the minute that you did so, 50 nations decided that they would take up the slack, that they would go into your market; and when that bill was before the Congress I called your attention to the facts, because there had been a most remarkable survey made by a British expert in which he pointed out what was going to happen. When Secretary Wallace was before our committee I called his attention to the fact that Brazil had made a survey and had found that it had 220,000,000 acres of land ideal for the growing of cotton. The response of the Secretary of Agriculture was that he had not heard that Brazil raised cotton. Then I called his attention to the research of British experts. Within 3 days he sent a man named McKay to Brazil to make a survey. Did you ever have the benefit of that complete survey? No; you did not. But you went ahead and enacted this legislation, and today 50 countries have stepped in and taken your market. This bill is going to finish the job so far as the cotton farmer is concerned.

I am interested in seeing you succeed in solving this cotton problem.

Mr. Chairman, when I started I said this ought to be a day of rejoicing. You at last have the very type of market which you have been trying to convince us would be beneficial to us in the North. In other words, you have a free-trade world market. You did have it, but now you have competition from the low-wage countries of the world. Just the minute you met those low wages in your free-trade market, or what had been a free-trade market, you could not compete. We in the North discovered that long ago, so far as our labor, our farmers, and our industries were concerned. We asked for protection.

In this bill what are you asking? You are seeking virtually the difference between the cost of production with cheap labor abroad and the cost of production with labor over here.

That is all we have asked for in the North under our tariff bills. You are now getting a fine picture and a splendid demonstration of what a free-trade market means. In other words, your farmers with their low wages in the South, with your sharecroppers, are not able to compete with the cheap labor of Brazil and the British Uganda. I can almost hear a Member who usually interrupts a speech ask, "What is the solution?" Well, you are in a very bad jam at the present time. I think if you will change your philosophy, now that you have seen the fallacy of surrendering your world market, if you will realize that all of our industries and our agriculture have to be protected from this cheap labor abroad, then we can rationally work out a problem to save you. Suppose you had not had this false philosophy; suppose you had realized we wanted an American standard of living; suppose you had said, "We have the raw material and no nation at this time has it; we are going to protect the cotton mills, we are going to build them up, and we are going to supply the finished cotton goods to the whole world," today you would be furnishing the finished product to every nation on earth and they could not get into

that market. But you followed the old false philosophy; and if this situation in which you find yourselves today serves no other purpose, it may be worth all it has cost and may cost to keep future generations from lowering their standard of living to that of those countries where the standard of living is far below anything we want in this country. [Applause.]

Mr. KINZER. Mr. Chairman, I yield 25 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Chairman, after nearly 5 years of the New Deal, so-called, which has been heralded and propagandized throughout the length and breadth of this land as having restored prosperity and banished unemployment, and as being on the way to raising all classes of our population to "a more abundant life," the United States today faces a business recession which everybody fears, if we will be honest about it, as approaching the proportions of a major depression. The pending bill will accentuate this condition.

No man or woman in this Congress, Democrat or Republican, wants to interfere with the progress of America back to security and prosperity, whether Mr. Roosevelt, the New Deal, or somebody else gets credit for it. Therefore, the criticisms which have been made and are being made by the opposition are not made from a standpoint of gaining partisan advantage. They are made from the standpoint of a deep and genuine concern for the welfare of the United States of America.

We of the opposition realize only too well that disaster in this Nation means disaster for every man, woman, and child. We realize only too well that we expose ourselves to the charge by Mr. Roosevelt, Mr. Farley, and others, of being partisans and of "playing politics with a dangerous situation" when we venture to criticize. However, the time has come when we must, for the sake of the country itself, criticize the guesswork, patchwork policies and the anonymously prepared legislation by which to effectuate them, because the result has been exactly what we have insistently forecast—confusion, business recession, increased unemployment, increased taxes, class prejudices and class hatreds, industrial disorders, and the Budget getting further out of balance day by day. It is time for plain talk and those who see this condition of depression developing must speak out without being deterred by fear of criticism of their action on any ground.

Illustrative of this condition is a situation in agriculture which typifies the basic situation in practically every major problem before the Nation at this time.

Taxing our people hundreds of millions of dollars annually to pay American farmers to take good American soil out of production, and at the same time taxing our people other hundreds of millions to construct great irrigation and reclamation projects in the arid West, 20 of which are now under construction, bringing millions of acres of new land into production, together with a lowering of our tariffs to make possible an ever-increasing influx of foreign competitive agricultural products, just does not make sense.

Complaining of high prices, buyers' strikes, and consumers' rebellions, and demanding lower prices while at the same time we plan restriction of production to keep prices up and to force them higher is the height of economic absurdity.

In the meantime, negotiations looking to further so-called reciprocal-trade agreements proceed with enthusiasm undiminished. The President has for months been negotiating, through the Department of State, with Great Britain and her Dominions as well as with a number of other nations.

We have had no information from any American source as to what these agreements will provide. News reports from London, however, regarding the British agreement, based on "the very highest authority," state that "Britain will get a reduction in the American tariff on textiles, certain manufactured goods, and coal."

No mention is made of prospective reduction of tariffs on competitive agricultural products coming to this country from Canada, Australia, New Zealand, and others of the

British Dominions. But if anyone thinks we can negotiate a treaty satisfactory to them without yielding more of the market now supplied by our own farmers, they know neither the British nor the agricultural products of the Dominions that seek a constantly expanding market.

Indeed, it already has been stated in our American press that high officials of the Canadian Government will not and cannot be expected to give up their preferential advantages now existing under the Dominion agreements, unless they are given compensatory markets somewhere else, which means in the United States of America.

It is, of course, necessary to assume that the officials of all the other British Dominions feel exactly as the Canadian officials feel, and who can question the logic of their position?

Seemingly, it is of little concern to the administration that the textile industry is already in difficulties because of British and Japanese imports, with thousands of textile workers now unemployed because of this situation, and that any additional lowering of the tariff which, of course, will be given to Japan and all other nations engaged in textile manufacturing, is certain to bring disastrous results to the American textile industry. Indeed, Mr. Speaker, reports from New England this week indicate that more mills are closing there because of the deadly competition already existing from the cheap labor and production of England and Japan.

Great Britain, under this projected reciprocal-trade treaty, is to be allowed to bring coal into the United States, if you please.

I am sure the other Members of this body who represent coal-mining districts feel about that exactly as I feel. Not since the World War has the American coal industry been on a stable basis. Growing competition from hydroelectric development, fuel oil, natural gas, and Russian imports, has brought about a constant restriction of this activity. Because of these conditions the American coal miners have seen their problems increase from year to year, and now the specter of unemployment, want, and starvation looms bigger and bigger before them. It must be remembered that whatever concessions are made to Britain as to coal and other products automatically extend to all other countries, including Russia, and excepting only Germany.

Presumably the British agreement will provide for vast amounts of coal to be shipped into this market. The several hundreds of thousands of coal miners in this country for a number of years have found it impossible to secure more than part-time work. If and when these imports come pouring into our domestic market these miners may expect to spend even a larger portion of their time in idleness. Life for them will be an even more serious problem. They will have forced upon them economic hazards to which none of our people should be subjected.

Under the proposed Agricultural Adjustment Act of 1937 it is intended to put into law a measure which the proponents of the proposal cannot themselves explain on the grounds of logic. Without going into the many reasons adduced in the report of the minority of the Agricultural Committee for objecting to this measure I wish to devote my attention for a moment to some of the peculiar contradictions in this bill.

For some reason the framers of the bill have seen fit to seek to control production of tobacco, which is a crop grown very largely in Southern States, by imposing the burden of penalty upon the buyers in case they should, unwittingly or otherwise, purchase from a tobacco grower some part of a crop in excess of the allotted quota. No penalty is provided for the producer. He may grow as much tobacco as he desires, and may sell it and keep the proceeds untouched by any penalty whatsoever, provided he can find buyers to purchase it, no matter how much his production may exceed his quota.

Under the cotton-control provisions of the act each cotton farmer is to be assigned a definite number of acres upon which he may grow cotton. He can grow, without penalty,

as much cotton on his allotted acreage as nature, fertilization, and intensive cultivation will produce. He can also sell all of the cotton produced on the allotted acreage without restriction or penalty.

I am informed that such an arrangement as this will penalize the small farmer owning his own farm, and possibly the sharecropper, because they do not have the money to finance intensive fertilization and cultivation.

I am further informed that the big cotton growers, who do have money or the credit to enable them to fertilize and to cultivate intensively, can by machine methods nearly if not quite fully double their cotton production over their ordinary production of the past years on any allotment of acreage. If that information is incorrect, I shall be glad to have some of my southern friends, who are more intimately acquainted with cotton growing, correct me.

In contradistinction to the peculiar provisions covering tobacco, and these provisions covering cotton, we find the wheat and corn farmer of the North and West is to be regimented and policed right down to his wheat bin and his locked and sealed corn crib. The bill does not permit the wheat grower or the corn grower any sort of latitude of action as is permitted tobacco and cotton growers.

If the corn farmer raises more than his allotted quota, under the dictatorial decrees of Secretary Henry A. Wallace, of the Department of Agriculture, he must build storage cribs and he must store that excess-quota corn under lock and key, and even this is not sufficient. The Government seals those corn cribs.

As has been said by someone else, "From that time on a horde of agricultural G-men will be checking his cribs and his seals," and he will be under the sort of surveillance such as is exercised by the police departments and Department of Justice over suspected criminals and paroled convicts. If feed runs short for that corn farmer's livestock, he will not dare to break the seal and feed that stored corn to his starving animals for fear of penalties, suits in the Federal courts, and visitation of punishment.

The northern and western wheat growers are placed in the same category with the corn growers. If they exceed their crop quotas and market them, they pay the penalties.

Mr. Chairman, I am not intending here to go into the merits or demerits of the agricultural bill as such. What I wish to point out is the contradictions, inconsistencies, and self-nullifying phases of all of this hodgepodge New Deal planning.

Here in the case of agriculture we have a problem which is so diverse in its various phases as to be almost impossible of any legislation which can set up standards which will be practicable and equitable in relation to all agriculture in this country. We have, in addition thereto, these internal contradictions in policy in the farm bill itself.

Further complicating this already exceedingly complex problem, we have the disastrous effects of a foreign policy which is bringing about, day by day, increased competition as between our own farmers and those of the low-wage foreign farmers.

In addition to all of these problems again, we have a labor policy, as expressed in a wage-hour bill, which threatens the American farmers with increased competition and rising costs for his farm labor. In addition to that, the wage-hour bill, it is conceded by its proponents, would increase the cost of everything the farmer has to buy, and by increasing the cost of living of all consumers would drain from the farmer's market a large part of the present purchasing power devoted to the purchase of farm products. This would be consumed in the increased prices of manufactured goods.

On the other hand, we all recognize and we all endorse any intelligent and orderly effort to improve the income and working conditions of the wage earners of the country. But at the very moment when it is proposed to attempt something to increase the number of available jobs and the wages of American wage earners we find the State Department

pursuing a policy of foreign trade treaties which impose new and unpredictable competition with low-wage foreign workers upon our high-wage American workers.

We have an unemployment problem which we are striving to solve, and at the very moment we are wrestling with it the operation of the foreign trade agreements is resulting in more unemployment for American workers.

We find the New Deal administration declaring on the one hand for lower taxes and enacting legislation on the other hand increasing taxes.

We find the New Deal declaring on the one hand for greater freedom of labor, industry, and agriculture, and on the other hand constantly enacting legislation to put labor, industry, and agriculture in an ever-tightening strait jacket designed to complete the regimentation of labor, industry, and agriculture.

Mr. Roosevelt and his administration, as someone has well said, have jumped upon a horse and ridden off rapidly in all directions.

We may just as well face this fact frankly now, because face it we must and will before we solve any of these momentous and fundamental problems which lie at the bottom of any possible continued prosperity in the United States of America.

Sound economic logic indicates that we must be a self-contained Nation. That means in plain words economic nationalism. Under such an economy we would buy abroad the products we cannot produce at home.

On the other hand, there are those who believe we are so integrated with the rest of the world that we must abandon our policy of nationalism and self-containment and adopt a new policy, as a world-creditor nation, of internationalism and international trade on a broader scale than at any time in the history of this Nation.

Whether the philosophy of nationalism is a correct one or whether the philosophy of internationalism is the correct one, since the two philosophies are diametrically opposed, no reconciliation between them is economically or politically possible. Either we must accept a policy of internationalism and prepare to open our markets to the products of other countries, regardless of its effect upon our own industry, our own agriculture, and our own wage earners—and we must go all the way in that philosophy—or else we must determine upon economic nationalism for the purpose of preserving to our own wage earners, our own industry, and our own farmers the American markets.

Now, what is the real question involved here? It is this: Geographically and industrially, other nations of the world are all in about the same position. Generally speaking, they all have about the same levels of living and about the same levels of wages. Therefore, the interchange of trade between those nations does not impose upon the industries, the farmers, or the workers of those nations any radical economic dislocations or any radical lowering of living standards.

The situation of the United States is wholly different; we have, by far, higher standards of living for workers in this country than any other country in the world has ever dreamed of having. We might as well recognize the fact that we cannot open our domestic markets to an influx of foreign industrial products and competitive agricultural produce without closing up some of our own industries and letting lie fallow some of our own farms, and accepting radically reduced living standards in this country for the great mass of our people.

It is perfectly manifest that an attempt has been made by the New Deal to ride the horse of internationalism with one foot in one direction while attempting to ride the horse of economic nationalism in the opposite direction with the other foot.

It must be apparent to every thinking man and woman that these two utterly incompatible and irreconcilable policies cannot possibly be made to work together. We must take one or we must take the other, and plan our legislation to conform thereto.

The difference between these two philosophies of national government and national way of life is as profound as the difference between peace and war.

In this very connection, it must be observed that under the guise of reciprocal-trade treaties military alliance can be very easily involved, and probably will be in the proposed British trade treaty.

Reports from London indicate that a "continuous stream of meats (Dominion's and American), so that no shortage will exist in case of war," is to be guaranteed the British. If this provision is written into the treaty what becomes of the Neutrality Act already anesthetized by the President through his refusal to recognize what every other intelligent person knows to be a fact?

Will the reciprocal trade agreement with Britain prove to be the weapon by which the Neutrality Act will meet an untimely end? And if it does, what can we do about it?

The Congress, in its blind obedience to the master's demands, refused to accept amendments to the act which would have assured to the Senate its time-honored and constitutional right to pass upon international agreements before they became the law. It refused to permit either itself or even the Senate to determine for the people who send us here whether these agreements are drawn in their best interests or in the interests of those working and paying taxes in foreign lands.

Mr. Chairman, what constitutes military alliances? It is agreements between two or more nations to aid one or more in time of war. They do not necessarily involve military operations. They may involve merely war supplies. They may involve only food supplies.

But does anyone believe that this Nation can safely bind itself to assist any other nation, particularly any European nation, even to the extent of supplying food to that nation in time of war? Can we hope to do that and not become actively engaged in the war itself? I do not believe we can.

I most sincerely hope, notwithstanding the ominous implications of news dispatches from London, that our apparently inevitable commitments will be such that nothing even remotely touching a military alliance will be involved.

It seems to me, Mr. Chairman, that our first job in this Congress is to collect our wits, do some good straight sound thinking, and then decide whether or not we are going to abandon our policy of economic nationalism, and adopt a policy of internationalism, after surveying most carefully all the changes and all the economic dislocations and readjustments which such a policy would inevitably require.

The situation with which I am at the moment most concerned is that which would concern any Member of this Congress, if his or her automobile were off the road and bogged down in the mire. If in that situation we saw a number of persons, no matter how helpful they might want to be, tugging and pulling in all directions at the same time, and quarreling with each other as to which direction should be followed, and as to the efforts which should be exerted, we would quickly realize that no automobile was ever freed from the mire by any such confusion of effort.

This Nation was bogged down in a depression. It seemed for a time to free itself somewhat from the clogging mire. The frantic, in many cases ill-conceived, and in most cases badly directed efforts have resulted, apparently, in the national economic structure again settling down in the bog of depression.

It is high time, my colleagues, that we first determine upon fundamental principles and plans instead of continuing for another 4 or 5 years to experiment on a hit-or-miss basis in these futile attempts to repeal economic law. [Applause.]

Mr. DOXEY. Mr. Chairman, I yield to the gentleman from Michigan [Mr. LUECKE] such time as he may desire.

Mr. LUECKE of Michigan. Mr. Chairman, the bill before the House at this time contains what I think a very important item and that is the \$10,000,000 which it sets aside for research purposes. In other words, finding new markets for agricultural products, and I want to commend the committee

for having inserted it in the bill. If this provision were not in the bill, I had intended to submit an amendment to that effect.

Some authorities estimate that farm surpluses run as high as 50 percent and others say it is about 30 percent. But on one thing all of us can agree, and that is that a surplus exists which is very real.

For the sake of having a talking point, let us compromise on the percentage of surplus and say that 40 percent of farm products are surplus. In order that no misunderstanding shall be had at this point, farm surpluses are regarded as the waste, culls, and unsalable products. All these must be taken into consideration because the farmer has money and labor invested in them.

In my opinion, the finding of new markets for the farmer is the final solution to the farm problem, and the money which this bill appropriates for that purpose is well spent and should be increased. Perhaps I should modify that statement and say that new markets would go a long way toward solving the farm problem.

For many years science has come to the aid of the farmer in the way of making "two blades of grass grow where only one grew before." Science has saved his livestock and made it possible to overcome the ravages of crop-destroying pests. And all this has had a tendency to increase production. But science has as yet done little to provide new markets for those products when the whole farm problem is taken into consideration.

To be sure, many new uses for farm products have been uncovered in recent years. But the surface has only been scratched. The soil, after all, is the source of all wealth, and there is not any reason why those who till the soil for a livelihood should not be able to earn enough in order to enjoy the comforts of this modern age.

During the past century vast strides have been made in agricultural productivity. The wooden plow has given way to the gang plow, and the hand seeder to the drill, and the crude cradle to the modern combine which does everything but mill the grain. And we learn from various sources that the maximum efficiency is not yet in sight; that still greater advances shall be made in the way of increased production. And, of course, that is true and is all the more reason why markets becomes a bigger problem year after year.

There is a field in which surplus crops could be utilized and which I do not think is receiving the recognition that it merits. And that is the production of power alcohol. It has been estimated that the entire surplus could be used in that industry.

The possibilities of power alcohol production was discussed quite thoroughly in my remarks in the Appendix of the CONGRESSIONAL RECORD, Seventy-fifth Congress, first session, page 2053.

Referring back to those remarks, I find that our petroleum reserves are limited. Geologists have estimated the supply at 19,000,000,000 barrels. At the rate of consumption of 1,000,000,000 barrels yearly, that means that in 19 years we shall be forced to discover other fields or turn to the use of motor fuel other than gasoline.

There is also another factor which we should not lose sight of in considering the problem of motor fuel. During the past few years consumption has increased at the rate of 1,000,000,000 gallons per year and is steadily increasing. Obviously there will come a time when the earth shall no longer pour forth the crude oil from which we derive our present supply of motor fuel, and, that being true, the necessity of providing fuel from other sources should be undertaken now.

At this point I should like to quote from an article which appeared in the Country Home Magazine June number, written by Secretary Wallace, in which the Secretary says:

Another thing that has to be remembered is that farmers can't afford to give their products away. Hay and straw and stalks and culls have some value on the farm. The same is true of grain and fiber. For example, chemists can now make fuel alcohol out of corn. And that's a piece of research that ought to be pushed so as to be ready to meet the situation when our petroleum supplies

begin to decline. But to regard alcohol production under available methods as a solution to the corn growers' problem is to overlook the price of corn, which is the important factor so far as the farmer is concerned.

It is true that power alcohol can be made out of farm products. But it cannot be made at the present time at a price that would permit its use. Ways must be found whereby the price per gallon of power alcohol can be manufactured and be in line with other motor fuels. When that has been accomplished, the farm problem shall have been largely solved. And that is the reason for constant and diligent research in this field.

Another factor enters into the discussion and that is the rising price of gasoline. In fact, we have already taken steps to raise the price of gasoline in the enactment of the so-called "hot oil" bill. Under that law production is going to be curtailed, and there can be only one result, and that is higher prices. With the automobile a necessity in the lives of our people and elsewhere, as far as that goes, to raise the price of gasoline means less production of automobiles. It means more unemployed in the cities and it means that the farmer will go back to using horse power instead of motor power.

There is a provision in this bill which I should like to see modified. It does not permit the Federal Government to go into States for the purpose of research unless that particular State has appropriated \$250,000 for like purposes. As I understand that, it means that all research must be done in laboratories.

Now, the problem of power alcohol from agricultural products is so large that it cannot be adequately looked into in laboratories. The work must be done in the field, such as was done in Laurel, Miss., where a plant was set up for the purpose of making starch out of sweet potatoes. Today that is a possibility, and many acres of southern soil are raising sweet potatoes for the manufacture of starch. The same should be done in the search for methods of production of power alcohol.

While I am on the subject of new uses for farm products I should like to discuss some of the achievements up to date.

HOW NEW MARKETS SAVED CITRUS GROWERS

A good illustration of the need of new markets was to be found a few years ago in the citrus industry in California. The growers found themselves almost smothered in surplus fruit. A special laboratory was established at Los Angeles and developed methods of obtaining orange oil, lemon oil, citrate of lime, and citric acid from "cull fruit."

In addition, the researchers perfected processes for manufacturing pectin, marmalades, stock feeds, and other worthwhile products. Pectin is more familiar to the ladies than to us, for they use it to "save the day" when jellies and jams are reluctant to actually jell. Citric acid we have often swallowed at the soda fountain in soft drinks or in other forms upon the advice of the physician we call for our "tummyaches."

Not only the growers but other businesses as well found benefit from these investigations. The growers obtained their benefit both from improved demand for their fruits and from their participation in the marketing and processing by their cooperative organizations. One of these, the Citrus Growers' Exchange of California, established two large plants, one of which in a recent year processed more than 40,000 tons of cull lemons and produced 2,000,000 pounds of citric acid, 65,000 pounds of lemon oil, and 30,000 pounds of pectin. A noncooperative firm used 10,000 tons of surplus oranges and produced 50,000 pounds of orange oil.

Another plant formerly paid a hundred dollars a month to have its waste citrus pulp carted away just to get rid of it. Now the pulp is processed and sold as stock feed. As a matter of fact, these new markets for citrus products helped drag the citrus industry away from the precipice of bankruptcy which was yawning before it. Incidentally, these new processes helped to make the United States independent of foreign sources of pectin, lemon oil, and citric acid.

If farm production gets far ahead of the normal market for it, we find it going into many uneconomic uses. You and I do not have to think back far to remember when corn was used as fuel, when dairy products were fed back to livestock, and when wheat was used in place of the normal

feeds for cattle and hogs. The development of new uses for farm products is a preventative of waste.

SOLVING DAIRYING PROBLEMS

The dairy industry has developed some interesting new markets and gives promise of having still more in the future. When milk is used in its natural form or made into condensed or evaporated milk, the entire milk is utilized and no waste results. The production of cream and butter is quite another matter, for there is skim milk or buttermilk left over due to only the fatty parts being used. Similarly, in cheese making only part—the casein and fat—are used, the lactose, minerals, and soluble proteins remaining in the whey.

Skim milk may be used most efficiently by removing the moisture and leaving the milk as a powder, a hundred pounds of skim milk making about 9 pounds of dried milk, which normally sells at 8 or 9 cents a pound. One method of producing dried milk is by spraying the fluid milk into a column of heated air, which carries off the moisture and leaves the solid part of the milk as a finely divided powder. A second method is to spread partly condensed skim milk in thin layers on steam-heated drums, the dried milk being then scraped off. A third process uses a vacuum to dry the milk at relatively low temperatures; and, finally, the so-called flake method passes partly condensed whipped skim milk on a wire belt into a heated chamber, where currents of hot air whisk away the moisture and leave the product in flaky crystals.

Among the many uses for milk powder, baking is, perhaps, the most prominent, for there the dried milk makes a more tasty and nourishing product.

The quantity of skim milk available for drying is about 50,000,000,000 pounds annually, containing some 2,000,000,000 pounds of protein and 4,000,000,000 pounds of sugar. Most of it is now fed to animals which converts only about 10 percent of the available materials into human food. By combining skim with flour, meal, potatoes, cereals, fruits, and so forth, it is estimated that the present farm value of a hundred million dollars for skim production could be doubled. Is not an extra hundred million dollars worth thinking about?

Or, take the lactose now going largely to waste in the cheese industry: Experiments now under way indicate profitable uses in foods and feeds and even in explosives as a substitute for glycerin. Lactose even has possibilities for feminine diets, as it promotes growth and nutrition without excessive fattening. With 350,000,000 pounds available in whey, we have another important addition to farm income possible.

A process now in use in Italy is that of using casein in the manufacture of textile fibers. Experiments in the United States were begun last year by rayon manufacturers, and give promise of use for some of the hundred million pounds of casein now available in skim milk from butter manufacture. Additional utilization of whey is in prospect, either by manufacture into lactic acid, utilization of whey solids in foods, or use of cream obtained by skimming cheese whey, such cream being usable in soups, as whipping cream combined with fruit juices, as a canned mix for frozen desserts, and so forth. Whether we shall ever be able to make a domestic cheese substantially identical with the imported Roquefort remains to be seen. At least, experiments in that direction are under way in sandstone caves along the Mississippi River, where the temperature ranges from 40 to 50 degrees Fahrenheit and the humidity close to a hundred percent.

In all, nearly half the milk used in the United States is used in butter and cheese and other dairy products. Although nearly as much feed to the animals is required to produce the nonfatty solids in the milk as to produce the fat on which the farm price is based, the market value of the solids is only a fourth that of the fat. If the use of byproducts can be increased as outlined above, we have a way of increasing the return to the producer without increasing the cost to the consumer—an ideal combination to aim for.

At present only 40 percent of all that the farmers raise can be put to profitable uses. The remaining half they must either throw away or consign to a low-profit utilization. Every ton of corn or wheat brought to the market means approximately a ton of straw or of fodder discarded. With fruits and vegetables, the loss is reduced by the necessity of removing some of the peelings, seeds, and culls. The use of such wastes is a problem for the scientist, the engineer, and the economist. To conclude our discussion of dairy products, we might mention a process recently developed for preparing casein which makes it more valuable for the manufacture of coated paper, and a new type of lactose, known as beta-lactose, which promises to have a wider market than the usual form on account of its being sweeter and more soluble.

FASCINATING SOYBEAN POSSIBILITIES

One product which has become an important commodity in the last few years and which holds still more promise in the future, is the soybean. It would be hard to find a product with more possible uses—everywhere from human food to making paints, floor coverings, and even automobile steering wheels.

As a result of the ever-growing production of this many-sided legume, a new laboratory for soybean research was set up last year at Urbana, Ill., by the cooperation of the Federal Government and 12 States including Michigan, Illinois, Ohio, Indiana, Wisconsin, Minnesota, Iowa, Nebraska, Kansas, Missouri, and the Dakotas. This laboratory has three principle objectives: (1) Improvement of present industrial uses and development of new ones; (2) more facts pertaining to the effects of various processes on the quality and quantity of soybean products; and (3) facilities for testing different varieties as to the adaptability for industrial use. On experimental plots of ground near the new establishment, plant breeders hope to be able to produce new varieties even better adapted to industrial demands for the beans.

The acreage of soybeans in the United States has increased from 2,000,000 acres in 1924 to 5,000,000 now—a rise of a hundred and fifty percent. Actual production has increased even faster, rising from five to forty million bushels in the corresponding period.

Why such an increase? In addition to the growing demand for the beans for food, feed, and industrial raw material, farmers have found the soy immune to chinch bugs and other insects, and second, the prices have been good as compared with grains, and third, soybeans have shown high drought resistance plus high yield of seed.

The soybean plant as it grows has two general types of uses. One is for the plant and the other for the beans. The use of the plant proper is principally for forage such as hay, silage, and soiling, or for pasture or fertilizing.

The fascinating part of the soybean uses, however, lies in the bean itself. Use of this falls into four chief categories, meal, oil, green beans, and dried beans. The meal may be used for such varied things as celluloid substitute, stock feed, fertilizer, vegetable casein, water paints, human food, and—what would make Old Dobbin happy and less fearful of old-age fate—glue.

With respect to human food, the soy products we are most familiar with are the bean sprouts and dark-brown sauce with which we are invariably served in Chinese restaurants. But those are but a fraction of the possible food uses for the bean. For the meal, the food uses include the soy sauce just mentioned, crackers, soy milk, bean curd, bean powder, breakfast foods, macaroni, diabetic foods, infant foods, and soy flour out of which breads, cakes, and pastry can be made, a good proportion being a mixture of one-fourth soy to three-fourths wheat flour, the result being a more nutritious article of food with a rich, nutlike flavor.

The second great category of uses of the bean is the oil obtainable from it. At present there are about 35 soybean mills for crushing beans into oil and oil meal, as well as a number of cottonseed oil mills using soybeans, also. Soybean oil may be used for glycerin, enamels, varnish, paints, waterproof goods, linoleum, soap, celluloid, rubber substi-

tutes, printing ink, lighting purposes, lubricating, candles, lecithin, and for human consumption. After refining and deodorizing, the oil is being put to increasing use in the production of salad and cooking oils as well as in the manufacture of lard.

We have already referred to the use of the third category, the green beans, when we spoke of the bean sprouts. Both the sprouts and the beans themselves may be used either as a green vegetable, or canned, or as an ingredient of salads.

The fourth group of uses is for the dried beans as feed for sheep, hogs, cattle, or poultry, or for human consumption as boiled beans, baked beans, soups, breakfast foods, and even as a coffee substitute. When properly roasted and processed, the bean makes an excellent cereal beverage, and has been somewhat used here in the United States as well as being a standard coffee substitute in oriental nations. In China the beans are soaked in salt water and then roasted, the product being consumed somewhat as we nibble at salted peanuts.

There are now 20 concerns manufacturing soybean food products, 15 mills making soybean flour, and more than 50 factories in the United States turning out various industrial products. The lecithin we have already spoken of is a valuable product of the oil used in making candies, chocolate, medicines, in textile dyeing, and as an emulsifier. Some miscellaneous uses for soybeans not already mentioned include use in beer brewing, as disinfectant, electrical insulation, insecticides, health drinks, and even ice-cream cones.

Congress can take some of the credit for the laboratory at Urbana, for it was under the provisions of the Bankhead-Jones Act of June 29, 1935, that a Federal contribution to establish it was possible. The laboratory is now considering such additional soybean characteristics as production of textile fibers from the meal, utility of waxes, pigments, and tannins of soybeans, production of purified proteins, and so forth. All of this leads one to the thought that the future will witness extensive application and benefits from the soybean, which has the unique characteristics of being a more reliable and profitable crop to grow and market for the farmer, as well as being a boon to the consuming public due to its manifold uses and the tendency to cheapen the prices of the everyday things the family buys.

NEW USES FOR SWEETPOTATOES

One of the most recent developments in providing new outlets and markets for farm products is to be found in the manufacture of commercial starch from sweetpotatoes. This new process came to the attention of Federal relief authorities in the spring of 1934 when they were searching for an agricultural industry to give some income to persons in the coastal plains section of Mississippi. So impressed were the authorities with it that they allotted \$150,000 for the establishment of a plant located in an abandoned sawmill premises in Laurel, Miss., with the object in view of providing not only relief work, but also a market for the sweetpotatoes which farmers could produce in that area.

The plant, which has a capacity of 200,000 bushels of sweetpotatoes with 2,000,000 pounds of starch produced during the 100-day season, was gotten into operation before the end of 1934. Costs at first were as high as 13 cents a pound for the starch, but have now been reduced by volume production to 3 cents, of which only 1 cent goes for manufacturing cost and 2 cents to the potato producer. This enables farmers to get at least 20 cents a bushel for either culls or field-run potatoes and compete with the white potato starch now imported, although as yet not as cheap as imported cassava starch. In the event that plant breeders can increase the starch content of sweetpotatoes, it is quite possible that sweetpotato starch may absorb its full share of the 250,000,000 pounds of root starch which is imported.

The properties of sweetpotato starch are favorable. In the textile industry, according to Dr. Henry G. Knight, a mill in the South having 800 looms in constant operation has used the sweetpotato starch in part for several years, and in experiments tried running 24 looms sized with ordinary starch yarns and 24 with those starched with sweetpotato

starch. During a period of a month it was found that there were some 244 less stops on the looms using sweetpotato starch sizing than on the others, due to the sweetpotato variety penetrating the yarns better. Naturally it is profitable to reduce stops to a minimum, for both production and profits cease when the looms are idle.

Tests have indicated that sweetpotato starch is the only domestic adhesive which is suitable for gumming postage stamps, as well as being satisfactory for labels and envelopes. Laundries have also found the new starch useful and several use it regularly. When properly refined, the sweetpotato starch is clearer, is nicer to work with, and goes farther than the ordinary kind.

By providing an extra market for a farm product, the Laurel plant is serving as somewhat of a crop insurance to farmers who have depended largely upon cotton in years past. The new industry provides a market for culls, cuts, and other unsalable sweetpotatoes amounting to about a fifth of the crop on the average, as well as a market for entire side-line crops produced here and there. At Laurel a cooperative advanced farmers 20 cents a bushel cash for the potatoes the day they were delivered, and still by 1936 the plant had gotten onto a basis of making a small operating profit.

To take actual cases, one of the more progressive farmers in the Laurel section grew 10 acres of sweetpotatoes for the starch plant in 1935, making an actual net profit of \$40.03 an acre, which justified him in increasing his 1936 crop to 25 acres. On the average farmers say they can produce and market enough potatoes to yield \$25 to \$30 an acre net profit from the average yield of two to three hundred bushels per acre. Sweetpotatoes are grown on over half the farms in the South and form the most important vegetable crop produced there. There are some 75,000,000 bushels a year produced, with a content ranging from 21-percent starch for the poorer-in-starch grades up to 28 percent for the so-called Norton variety.

In making the starch there is a byproduct pulp produced which is about equal to sugar-beet pulp for cattle-feeding purposes. A bushel of sweetpotatoes produces about 10 pounds of starch and about 5 of pulp.

In our enthusiasm for new ideas we must not lose sight of the fact that we are dealing with essentially a long-range situation. For illustration, it would take 150 plants the size of the Laurel one to supply us with as much starch as is now imported. There are, of course, other uses possible for surplus sweetpotatoes such as the recent promising experiments with making sweetpotato chips, upon which a public-service patent has been taken out, although here we must remember that the effect might be in part to merely replace some of the \$15,000,000 worth of business now done by some 5,000 manufacturers of ordinary chips. In Tennessee interesting experiments are under way as to the possibilities of making both a sirup and a vinegar from sweetpotatoes.

SOME OTHER CROPS AND BYPRODUCTS

The small seed of the tomato was formerly a waste product of the catsup industry until a means was found to extract its oily content, used today in food and in making fine soaps. The use of the apricot is growing and turning toward potent substances. If the apricot is fermented it is the basis of several kinds of distillates. The seed is a basis not only for an innocent flavor similar to almonds used in making macaroons but also contains the wherewithal from which prussic acid, a war material, can be made.

Raisin seeds used to be quite a nuisance and went to waste. Now an oil is made from them which is similar in taste to the raisin itself, and this oil is now often sprayed upon the seeded raisins to keep them soft and fresh until eaten.

Witnessing as we are a rapidly advancing evolution in industry, the humble and little-respected byproduct of today may be a main product of tomorrow and provide additional markets for raw materials produced on farm lands. Take the cornstarch industry, which started out to make products for cooking and laundering. Discoveries showed how glucose could be made from the starch. Then the idea was conceived

that the oil in the corn had attributes of the relatively expensive olive oil. Today glucose, corn sirup, and corn oil are the main products of the corn-refining industry. At one time this industry dumped into the river all the corn kernel that was left after the starch had been removed. Now these formerly wasted byproducts bring in millions a year as part of the fodder needed for livestock by raisers.

At one time our present immense canning industry was merely a home industry to save something of the losses due to surpluses and low prices. Today, with the aid of scientific research and huge canning plants, the canned article is the principal product, with many thousands of acres of land devoted exclusively to the raising of crops for canning.

A so-called semichemical process developed at the Forest Products Laboratory of the Department of Agriculture for the manufacture of paper and board makes it possible to obtain yields of more than 70 percent of the weight of the wood, as compared with yields of from 40 to 50 percent by the ordinary chemical processes. Five mills now use the process in the manufacture of corrugated and fiber board from extracted chestnut chips, a former waste product, the quantity involved being a hundred tons a day. The process is also used in making light-colored wrapping paper from red gumwood.

Experiments are now under way for production of materials for board and the more expensive grades of paper from cornstalks, straw, and other fibrous vegetable wastes, and have been demonstrated on a laboratory basis. These would conserve the rapidly diminishing timber supply. The available materials include some 32,000,000 tons of cornstalks, 37,000,000 of wheat straw, 5,000,000 of barley straw, 23,000,000 of oat straw, 21,000,000 of rye straw, almost a million of rice straw, a third of a million of seed flax, and a half-million tons of soybean straw—quantities worth thinking about.

These materials just mentioned, plus four and a half million tons of sorghum, are also available for fermentation for production of fuel gas, organic acids, and alcohols—including motor fuels—as well as solvents and other chemicals; and may also result in controlled processes for retting textile materials, such as linen flax, seed-flax straw—now almost entirely wasted—and ramie.

In the utilization of hulls, straw, corn stover, and such products the problem is usually to find new uses more profitable than the present ones. These byproducts are worth something as feed in many parts of the Nation, and therefore are not strictly waste materials. With corn stover, for instance, the problem is whether it will bring higher returns manufactured into fiberboard or cattle feed. Some factories are making and selling worth-while amounts of insulating board made from cornstalks, sugarcane bagasse, and straw. A wallboard is made from cornstalks which can be used in place of plaster as a subsiding or subflooring. The future of this product depends upon the relative cost as compared with that of other materials, and that in turn depends upon the quantity that can be marketed.

KING COTTON CONSIDERED

In the Civil War era, the byproduct cottonseed, except the minor quantities saved for seed in planting, was practically waste; in 1870 it was used for fertilizer; in 1880 for cattle feed; and by 1890, thanks to scientific research, a cotton-oil industry came into being. Now cottonseed oil is used in cooking, being most familiar to the housewife in the form of a product which has much the appearance of lard—not to mention the many other uses to which the oil is put.

Ofttimes a byproduct will have byproducts of its own. In pressing the cottonseed to extract the oil the cottony fuzz on the seed was a nuisance. This fuzz is termed linters. Today we find a large industry which makes a product from linters which looks and feels like silk. This is the accomplishment of the research chemist, made in the chemical explorations of cellulose. Linters have become so valuable that the seed is sometimes scraped so closely as to appear to have been shaved with a razor. Linters were first used in making mattresses, batting, high explosives—nitrocellulose—

and so forth. Today they are used to make the finish and tops for our automobiles, substitutes for leather, combs, mirrors, brushes, camera films, including our movies, casings for sausages, high-grade paper, collodion for skinned fingers, and many future uses are possible in addition.

Many of you are more familiar with some of the new uses for cotton either now in operation or being experimented with. The development of combination open-mesh and close-mesh bags for packing citrus fruits, potatoes, onions, or nuts has been very successful. The use of cotton in bituminous-surfaced roads has received considerable attention and trial and only the question now remains of whether the increased durability of the road justifies the increased cost.

There are many uses to which cotton can be put to replace inferior products such as the jute now imported, but the question of the extra cost of the cotton is what holds back many more uses such as for barrel-top covers, as foundation for hooked rugs or for many other purposes for which jute burlap is now used. A peculiar factor holds back the use of cotton for the wrapping of bales of raw cotton, and that is that the bales are sold by gross weight by custom, and if the wrapping is jute burlap rather than cotton, the bale weighs more. The ways cotton can compete and replace jute, such as the case of transporting Hawaiian raw sugar shows, is that the cotton bagging is much stronger and can be used over and over again, whereas the life of the jute bags is relatively short. Thus it seems that the cotton can succeed in doing the work at an actual net cost below that of the jute.

Many things can be made from cotton, but what needs to be borne in mind is that discovery alone does not mean new uses. Cotton and any product for that matter has to prove its way in competition with other things. Thus in the chemical field we know that many things are technologically possible, but they are not feasible or practical, at least not at this stage. For example, we cannot expect 12-cent cotton to replace 3-cent wood pulp as a source of industrial cellulose.

A striking case is that of furfural, which can be made from a number of woody cellulose byproducts of the farm, corncobs and oat hulls being very good sources. Furfural was formerly imported from Germany, as a chemical curiosity, at \$30 a pound. Now, as a result of the work done by chemists, it is manufactured in the United States at only a dime a pound. One of the largest oat processing concerns in this country is today making large quantities of furfural from oat hulls and selling it to manufacturers of resins, paints, lacquers, and so forth.

Bagasse is the pulp of the sugarcane left after the extraction of the cane juice. The sugar mills formerly used it as a fuel for the fires under the boilers. Only comparatively recently was the idea conceived of manufacturing this bagasse into insulating board. Today enormous business stands as a monument to that idea, to the ingenuity of the American businessman and to the cooperation and ability of research scientists. Chemists have also found that by the use of low-priced nitric acid, a high-grade cellulose, the base material for rayon, may also be produced from bagasse. The process is important to rayon producers as it indicates a large new source of raw material, available each year to supplement the present wood-pulp sources for cellulose.

In the United States Bureau of Chemistry and Soils, there is a small bottle of a brownish cellulose substance called lignin, which was derived from the corn plant. Lignin is one of the principle parts of woody plant tissues and may possibly yield as many products of commercial, chemical, and medical importance as have been yielded by coal tar, that byproduct of the manufacture of coal gas, the exploitation of which played an important part in giving Germany such a prominent position in world trade.

The Department's chemists hold that lignin may perhaps yield more than coal tar. Some of the coal tar articles of great commercial importance are aniline dyes, phthalein dyes and other phthaleins, indigo, carboic acid, creosote, flavoring extracts, and drugs and chemicals of many kinds. The Bureau of Chemistry and Soils has al-

ready made dyes from lignin which are more fast than the first aniline dyes made from coal tar. And the chemist has gone scarcely below the surface in the exploration of lignin. Millions and millions of tons of byproduct stalks, cobs, and straws are produced on our farms every year and every ton holds its share of the mysteries of lignin and cellulose—and who knows what else?

Who can deny that the development of an organic nitrogenous fertilizer is also a promising possibility from combining the lignin of waste sulphite liquor with nitrogen of ammonia? Available as material are 2,000,000 tons of lignin annually from waste sulphite liquor of paper mills. The ammoniated product has been found a good nitrogenous fertilizer.

SUGAR BEETS

Projects are under way for more profitable utilization of sugar-beet pulp, of which about 8,000,000 tons are produced annually in the United States. The pulp has many possible uses, including employment as a plastic material for making steering wheels, building materials, and absorptives. Experiments are also under way to improve present sugar-beet machinery and develop new equipment to make production more completely mechanized. Another very useful thing is the discovery that elimination of yeasts and stimulants to yeast growth in sugar-beet sirup is eliminating the quality difference between cane and beet sugar which every housewife knows, or thinks she knows.

Another interesting project now being developed is that of improvement of the value of certain distillation products of pine and hardwood trees as killers and repellants of insects attacking man and animals. Products include pine tar oil, pine oil, and several hardwood tar oils to be used against the screwworm and other blowflies, ticks, flies, mosquitoes, sand ticks, and so forth. Materials now retail at 80 cents to a dollar and a half a gallon, and demand might be so increased several hundred percent in the next few years in addition to the several hundred thousand gallons of pine-tar oil now used each year for livestock.

BASIC CONSIDERATIONS

It is most important, first of all, to have care that premature hopes are not aroused among large groups of farmers which will induce them to overproduce certain crops before a profitable market based on a new use is assured. We know that research as a whole pays in the long run; but we must keep in mind that the outcome of any specific project is uncertain until it is completed, and, often enough, the full significance cannot be realized until some time has passed and its relationship to other developments determined.

A second basic consideration is that unscrupulous exploitation of producers or would-be producers on false grounds must be prevented. This exploitation of producers and others in an industry and of inventors is always unfortunately going on. In the case of tung oil, hemp, and certain other products of agriculture this type of exploitation has been all too widespread, with disastrous consequences to many farm families.

A third fundamental consideration is that research, particularly research in industrial uses, must work under strict and hard-headed cost accounting. Many products can be made in the laboratory that may not be profitable to producers, as is frequently overlooked by promoters, propagandists, and others. This makes it necessary that each discovery must involve a final step, that of tests conducted under the most practical conditions on a commercial scale, always keeping in mind that the new markets will not be a benefit to the farmer unless he gets a profitable price.

A fourth basic consideration is that economic considerations from a broad standpoint must be recognized. There is intercommodity competition in agriculture, as elsewhere, with one product displacing another, and we should not stand in the way of such shifts when they mean greater efficiency and where economically justified. Yet we must always keep in mind the shock of sudden shifts on large groups of people whose welfare is also a matter of economic concern and keep in mind their interest.

Who can say what the future will hold for the farm product? We are in the midst of a rapid change in materials and products. Who can prophesy the future, for example, of the lowly cornstalk? Farm journals have been printed on paper, the most costly part of which had been replaced by cornstalk pulp. Insulating and building materials are made of cornstalks, some as porous and light as cork and some almost as hard and dense as iron. Who can say now, in view of the industrial beginnings already made, what part cornstalks will play in the building construction and heat and cold insulation of the future? Some day our books and daily news may come to us on cornstalk paper.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, I wish to thank the Chair for recognizing me at this time. I take this opportunity to speak briefly my thoughts on this proposed long-range farm bill. We are debating a proposed law which will affect every person in my district. Mine is a purely farm district. Out there in the 22 counties of the Third Nebraska Congressional District we are all dependent upon the farmer. When he has no income, our business comes to a stop. Our business people then cannot buy from you people here in the industrial East. So I have read carefully every word of this bill and the report of the majority and minority members of the House Committee on Agriculture, which reported it to us. I see in this proposed legislation a principle to which I wholeheartedly subscribe—the effort to get parity prices for the farmer, to help him conserve his soil, and to in some way provide the rest of us with an ever-normal granary. Those are great principles which we all must commend. Those principles must eventually come to our farm country if the rest of the States are to survive. But there are some features of this proposed legislation which worry me greatly at this time, and to which I feel I must call your attention before we hastily pass legislation which may come back to haunt every one of us.

I wish, first of all, to call your attention to the crop-control sections of this bill. To restrict the production of food at a time when so many of our own people are hungry, seems repulsive to me. First, we must get back to the principle of producing as much food as our people can eat before we give too much thought to the restriction of food production. I have always felt that we have never had an overproduction of food in our country when people are in want of food. My thought has always been and still is centered on the fact that while discussing long-range farm legislation which has production-control features, we must, also, solve the real question, the question of distributing the food which we produce. I still believe that if we solve the distribution problem we would need not worry much about overproduction. Solution of this distribution problem together with preservation of the American market for the American farmer will dispose of most of our alleged "surplus" troubles. I also feel, that to solve the question of keeping the farmers on their farms by saving their homes through refinancing and low rates of interest, and giving them cost-of-production prices along with a blessing from the Almighty in the nature of normal harvests, would eliminate any further need of special sessions of Congress to solve farm problems.

I have just lately come from my home district. It is true, in some of the counties there, we have raised fair to good crops. But there are numerous counties where no crops were raised and in these counties, farmers who have suffered four to five complete crop failures cannot visualize anything that spells restriction in crop production or compulsory crop-production control. In these drought counties, farmers who believe in their land are praying today that the Almighty will bless them with a crop next year. However, even these unfortunate farmers favor anything that we can do here in a long-range farm program that will eventually give them an equal chance with other business.

HOG FARMERS PAID PROCESSING TAX

Before I give approval to this proposed long-range farm legislation, I insist that there be nothing in it whereby the

farmer is again called upon to pay processing taxes. In fact, I am opposed to processing taxes in this bill and shall offer amendments to eliminate them if their approval is sought. I am so inclined because I have just read the report of the Department of Agriculture which shows conclusively that the farmer paid the processing taxes on hogs. For a long time we have been faced with the argument as to who really paid this processing tax. The Bureau of Agricultural Economics of the Department of Agriculture prepared a report for the Treasury Department in 1937 which states that the farmer paid the processing taxes on hogs, rice, sugar beets, and sugarcane. They prove this on page 19 of this report in the following language:

The evidence presented in the foregoing analysis indicates that the direct effect of the hog-processing tax was to cause prices received by hog producers to be lower than they otherwise would have been by approximately the amount of the tax. The evidence indicates, moreover, that processors of hogs and distributors and consumers of hog products were not materially affected by the tax. Although prices received by hog producers were lowered by the tax, the funds derived by the tax were returned to the producers in the form of benefit payments. Such payments, added to the returns from the sale of the hogs, resulted in a total income for hog producers as a group of about the same amount as would have been the case had no tax been in effect. These conclusions are based solely on the study of the direct effects of the processing tax, without consideration of the effects of the production-adjustment program.

To my mind, this settles all arguments and refutes previous statements that the farmer did not pay this unjust tax. The report shows that the difference between the price of live hogs and the finished product was 61 cents per hundred pounds before the processing tax was put on. After the processing tax was put on, the difference was \$2.95. This is the difference between the amount the farmer received for the live product and the amount the packer received for the finished product. It would appear to me that the tax was charged back to the farmer. In any event, that is how I interpret the report. Because of this, I must make my objections now to any further efforts to put the processing tax into this farm bill on hogs or on any other farm product which would result in putting the entire tax upon the producer.

BIG OPERATORS GOT BIG BENEFITS

Mr. Chairman, I know that I am but one of 435 Members who are going to decide on this proposed long-range or permanent farm bill. But, before giving my approval to it, especially to any benefit provisions, I shall take my stand for the actual dirt farmer—the farmer who operates 160 acres of land and who is the real farmer of our Nation. I feel that this legislation should apply to this class of real farmers, and that nothing should be done here to give advantage in benefit payments to gigantic land operators who have been "farming the farmer" through some of our legislation. I refer to the frequent references made to payments in excess of \$10,000 each made to large-scale operators, who exploit our lands with their huge machines and provide little actual manual labor. Collectively they have been getting millions of dollars. Some singly have received close to a half million dollars. I urge that before passing this legislation we amend it to provide that no one individual or corporation can receive more than \$5,000 or, at the most, \$7,500 in benefit payments. I find in the available information that it has been easy for these large operators to make millions out of these benefit payments in return for not raising certain farm products, while many of the farmers in my district have been having great difficulty in receiving a few hundred dollars. I feel that by passing such an amendment we could save many millions of dollars to be distributed among real dirt farmers to whom these benefit payments belong. In common with some of my colleagues I do not want this money to go to the "power" farmer. I do not want it to go to the big corporations and individuals who "power" farm vast acres of our land. I say, spread out this money so more of the butter will go over the bread.

Members of this House may not know where all of our money went in benefit payments in the Triple A and the soil-

conservation programs. Some of you perhaps do not know that great corporations, great insurance companies, and even power companies got huge sums out of these funds. Let me acquaint you with some of the payments that were made under the Triple A. Among cotton producers one Arkansas company was paid \$84,000 in 1933; another Arkansas company, \$80,000; a Mississippi company, \$54,200. In 1934 one Arkansas company was paid \$115,700 and a Mississippi company was paid \$123,747. In 1934 and 1935, wheat payments were made to a California company in the sum of \$29,398.33; to a Washington company, \$26,022.06; to a California bank operator, \$23,845.22; to a Montana farmer, \$22,325.82. Corn-hog payments were made to a California farming corporation in the amount of \$157,020; to a New Jersey company, \$49,194.38; to a California hog company, \$22,623.75; to a Massachusetts producer, \$19,098.75; to a California producer, \$17,838.75. Sugar payments made in Louisiana ran as high as \$256,010.56. Large sugar corporations in Puerto Rico received \$45,533.40, \$99,617.28, \$103,667.94, and one Puerto Rican producer was paid \$961,064. Payments to single producers, under the Soil Conservation Act, have been made in California amounting to as much as \$92,237.72, and in Mississippi up to \$60,388.06, in Colorado up to \$65,505.25, in Florida up to \$80,821.92. Plenty more figures are available, but I do not give them here lest they weary the House.

ADMINISTRATIVE EXPENSE TOO HIGH

Mr. Chairman, I know that it costs a considerable amount of money to administer any sort of legislation that we enact here. It requires a vast amount of work in checking up, measuring land, keeping records, and so forth, and that for this a huge office and field force is necessary; but if we wish to distribute these funds to those to whom I feel they should go, to the real farmers, we must take some action toward cutting administrative expense.

We are told by members of the committee that the cost of administration of this program will exceed 10 percent. That, in my opinion, is too much. I feel that this administrative cost should be cut at least 5 percent and I shall support the amendment to effect this reduction. If we adopt such an amendment, I feel that we can save at least \$25,000,000 to be distributed among those real farmers who are supposed to be the beneficiaries of this proposed legislation. We are told that we spent approximately \$400,000,000 on the program last year and that the administrative expense was over \$40,000,000. That is too much money for the overhead. I think it can be cut 5 percent.

Do not forget that this legislation is a long-range program. Perhaps, it is intended for a permanent program eventually. Do not forget that it contemplates a program to restrict production and we are told here that farmers will be asked to take about 65,000,000 acres of our farm lands out of production. This means that in my district, many farmers who plan their business much like people in industrial and commercial pursuits, will have to do a lot of planning and figuring in order to decide how much they will lose by taking certain lands out of production. It means that the benefit payments that we authorize must be equalized so that no farmer will be penalized by loss for his participation in the program. If we employ a half billion dollars in this bill to compensate farmers for the withdrawal of land from profitable production, we must provide for the reasonable and economical utilization of the funds. So, I feel that a cut of 5 percent in administrative costs should be directed. If that cut is too large, the conferees can eventually make a more suitable adjustment. I make this suggestion to the end that I may be consistent in my insistence upon efficiency and economy in the use of taxpayers' money.

PROPOSED BILL DISCRIMINATES

Mr. Chairman, I have mentioned several changes that I desire in this legislation. There are yet others that I want to suggest before we vote on final passage. I sympathize with the dairy farmers in their argument that this is a discriminatory bill. We can see plainly that if we take out of production 65,000,000 acres of farm land and under this soil-conservation program we sow those acres to alfalfa, clover, and

other legumes, there will be an unprecedented quantity of hay, grass, and so forth. This naturally induces the multiplication of milk cows, and the dairy industry, already embarrassed by the importation of foreign dairy products, will be further penalized by this legislation. In my district we have some of the greatest hay-shipping points in the world. Yet our hay is a neutral crop, by ruling of the Department of Agriculture, and our hay farmers will be hard hit by this legislation.

Our rye farmers will not benefit. So I feel that there is discrimination, and that the Nebraska hay farmer, the dairy farmer, and the rye farmer should also be taken into consideration.

In this measure we include in our proposed program only five farm commodities—cotton, rice, tobacco, wheat, and corn. We already know of the great increase in the dairy business in the Southern States, where pastures are green more months in the year than in the North. No one will argue against the southern farmer going into the dairy business, but this legislation has already provided him a subsidy for taking his cotton acres out of production. He gets value received for that. Why should he be allowed to place this same land into the production of other money crops at the expense of the Nebraska hay farmer, the Minnesota and Wisconsin dairy farmer?

COMPULSION IS NOT FAVORED

Mr. Chairman, it is my hope that we can pass a bill that will really help agriculture. I want to support such a bill. But the bill before us at this time has a large element of control in it more severe than the invalidated Triple A program. I could not vote for the potato-control bill because I thought it was too mandatory and severe. I felt then that it improperly abridged the freedom of individual farmers. Under the Agricultural Adjustment Act a farmer had the voluntary privilege of going into the program or of staying out. If he participated, he was rewarded for it. Under this bill he would be penalized for nonparticipation. I am afraid that these drastic compulsory-control features will not meet with the approval of farmers in my district. I attended the meetings we had out there. I attended the hearings of the Senate subcommittee in Sioux City, Iowa. I traveled over 20 of my 22 counties in my limited time at home during the short recess. I discussed these matters with farmers who will be directly affected by the provisions of this bill respecting corn. I join with these farmers in their desire for common-sense, voluntary farm legislation that will secure for them an even break in the prices of the things he produces when compared to the prices of the things that he must buy. He is entitled to the cost of production plus a reasonable profit on his enterprise. He approves generally the soil-conservation program and seeks a chance to handle his land incumbrances at a reasonably low rate of interest. He wants to be enabled to obtain credit on the products of his farm so that the prices of his products will not be unduly controlled by speculation. He feels, however, that we should do nothing here that will place him in a strait jacket whereby he sacrifices his freedom for nominal gains.

The farmers in my district want to work for their living, and they are entitled to somewhat more than just a bare living for what they produce for sale. They trust that if we do pass a long-range farm bill, it will be one that will tend to equalize their station with industry and business. But they will not trade their liberty for small, so-called benefits.

I feel that we can agree here and write legislation that will not enslave our farmers. I hope that before we finish this bill we can reach such agreement. Unless we effect some compromise respecting the changes that I have suggested, I shall favor a motion to recommit the bill to the Committee on Agriculture for further study.

I say this in spite of the fact that I know that the committee has labored conscientiously and diligently for many weeks and has acted in good faith in bringing this bill to us. I do not make these statements in any criticism of the committee but merely to be of service to the people who sent me here to represent them.

Do not forget that the objective of this bill is help to the farmer. Some here feel it is merely crop control. Our real objective should be, and I understand the purpose of this bill is, to help the farmer in three ways: First, to increase his income; second, to conserve and improve the fertility of his soil; third, to enable him to provide for us an ever-normal granary. Let us here and now bring this about in the least objectionable manner and so draft this legislation that every farmer affected can and will understand what it is all about.

Mr. DOXEY. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. ELLIOTT].

Mr. ELLIOTT. Mr. Chairman, the growers of cotton in the irrigated sections of the "cotton West" are vitally interested in the farm legislation we are now considering for the growing of cotton. In the West there has developed a problem that is serious and far-reaching in its effects.

Nullification of the Triple A by the United States Supreme Court upset previous efforts of the Government to reduce acreage and curtail production; consequently, the western cotton grower—I refer to the grower in California, particularly in the San Joaquin Valley, where I live—the western grower, not expecting further regulations, bought and leased lands for the purpose of growing cotton and made his plans accordingly.

He developed wells, bought pumping plants, purchased farm machinery, built farm buildings, constructed labor camps, and leveled and checked his land for cultivation. Obviously this equipment and expense could only be met over a period of crop years, and under normal conditions he could reasonably expect to carry out his program.

His program was acceptable to the land owner, equipment, and pumping plant dealer, merchant and lumberman, and credit was granted.

California has had and is having a tremendous influx of people who are deserting the Middle West drought States. Many of these people are farmers who have started anew as cotton growers in order that they may have something of the abundant life. Many others are farm laborers.

Their developing new cotton acreage is in line with our President's recent fireside talk and the expressed ideas of the Rural Resettlement Administration that it is highly desirable that these people establish themselves either on farms of their own or as farm laborers where their efforts have a fair chance of success.

This influx from the Middle West, due principally to cotton, has caused an increase of 25 percent in school attendance, with a consequent necessity for additional teachers, school facilities, and additional hospitals.

Any compulsory program without an adequate base for new cotton growers would be dangerous, disastrous, and unfair, and would result in these people I speak of being additional charges on the already heavily burdened taxpayers.

The "cotton West," comprising the irrigated sections of Texas, New Mexico, Arizona, and California have cotton growers that are a special problem, and the application of crop-control plans throughout the Cotton Belt should recognize the relative newness of this industry in these sections, and all that goes with it as to historical bases, yields, and so forth, and the economic and social trends which made its development in the West logical, economically sound, and socially desirable.

Crop-control plans so far formulated by the administration have not allowed for these national trends.

California's cotton production has steadily increased. In 1920 there were 150,000 acres harvested; for 1937 the estimated acreage is 614,000. California's yield has increased annually along with increased acreage.

For the past 4 years the average yield has been 550 pounds per acre in California, as compared to the national yield of 200 pounds per acre. The increased production of cotton in California has been economically sound, the cotton industry being first sponsored by the United States Government

during the World War in order that sufficient quantities of high-grade cotton for the manufacture of war materials could be available. A cotton field station is maintained in California by the Federal Government to aid the development of pure seed and one-variety district.

The development of the cotton industry in California is socially desirable, as the industry provides employment for a vast number of migratory workers. Seasonable labor requirements for the cotton industry are largest during those months when the workers are not needed in harvesting of other agricultural crops. The cotton industry has provided the migratory worker in California a more balanced annual employment, thereby offering him an opportunity to increase his annual earnings and standards of living.

On November 2, 1937, five counties in the San Joaquin Valley of California had an estimated cotton planting of 525,000 acres. The estimated crop yield from this acreage was 634,325 bales. On November 2, 1937, 10,069 bales of cotton were ginned, and, estimating five pickers to the bale on that day, or 270 pounds per picker a day, and allowing one-half worker to weigh, half, and gin each bale, we have on that day 55,379 people working in this one district of five counties.

Industry must be maintained where it can provide the most for labor.

The laborer in the cotton industry in California has many advantages over the farm laborers in other districts.

The average wage paid by the California farmer is upward to \$2.80 per day, as against \$1.08 paid by the 13 other cotton-producing States. The average wage for picking in California for the past two seasons has been a dollar a hundred pounds, as against 69 cents in the other sections.

Most of the workers have housing facilities provided, in compliance with California State law. These workers also have unusual educational advantages, as adequate provisions are made to provide the workers' children with educational facilities. In practically all rural areas school busses are provided for transportation of children to and from school.

In the past, agriculture programs have been written so that the California growers could not cooperate without severe penalties. This is established by the fact that only 30,000 cotton acres were diverted under the 1937 soil-conservation program, as compared to 614,000 planted acres. Let us keep bases and yields along with current trends.

The average reduction programs in recent years have asked California to reduce 50 percent or more from its current plantings in terms of production, whereas the old Cotton Belt has been asked to reduce from only 25 to 35 percent. California wants no cotton-control program for the irrigated districts, either voluntary or compulsory, unless the 1937 history of planted acres is recognized, together with the acreage diverted by the program in effect that year, and a yield per acre of the average of the last 4 years.

The cotton growers in the irrigated sections are united in their request for your particular consideration of their unique position in the cotton industry of the United States and the disastrous effects on them of any crop-control program which would not recognize and give special consideration to the facts. [Applause.]

The reason I am making this plea is that the people in my district are not all people from those counties or from the State of California, but the majority are from the States of Arizona, Texas, New Mexico, and Oklahoma, people who have come in there to make their homes. They have followed the cotton industry into California. They are the ones who are responsible. They are people from your States who have come to California.

I hold in my hand a clipping taken from a newspaper dated November 15, indicating that in one county in my district in the State of California, the San Joaquin Valley, 5,000 children at the present time are in dire need of food and shelter. They have come in there recently and become county charges.

If this kind of a program is put over on the people in the State of California in regard to the cotton industry, we back there are wondering as taxpayers what you are going to do when you cut our production down and we have 55,000 or 60,000 laborers with their families to shelter and feed at the expense of the taxpayer because these people cannot produce any cotton upon their property. These are the questions which are going through the minds of the residents of my district.

All we are asking is a fair and equitable base of allotment. If too much cotton is produced and they take off 1 acre in the South we will be happy to take off 1 acre out in the West. I will not yield to any program which does to one section what it does not do to all others. We are asking only a fair and impartial division of the acreage. I do not care whether you are a Democrat or a Republican, I believe this is one time the American people should decide for themselves. They should not listen to one man's idea or let three or four men set up this plan. This is a Nation-wide measure. As to voting for such a bill as the one presented here, I cannot go along with something which I do not believe is right and just to the American people. [Applause.]

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. ELLIOTT. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman has studied this bill. What percentage of decrease does the gentleman believe the application of this bill will cause in New Mexico, Arizona, and California?

Mr. ELLIOTT. We shall be cut down in the new irrigated district about 75 percent, I may say, when you figure it all up.

Mr. CRAWFORD. From the crop year of 1937, say?

Mr. ELLIOTT. Yes.

Mr. CRAWFORD. That is due to the method of arriving at the base on which the quota is fixed?

Mr. ELLIOTT. Yes.

Mr. CRAWFORD. This is based on land on which cotton has grown how long?

Mr. ELLIOTT. 1936 and 1937.

Mr. CRAWFORD. To what was the land devoted previously?

Mr. ELLIOTT. Different kinds of crops, principally alfalfa and grain.

Mr. CRAWFORD. Do you know whether or not the newly irrigated lands which are to be brought into production have been planning to grow cotton?

Mr. ELLIOTT. Which have been brought in? Yes.

Mr. CRAWFORD. Which are being brought in?

Mr. ELLIOTT. Yes.

Mr. CRAWFORD. Were they planning to grow cotton along with the others?

Mr. ELLIOTT. Yes. They were when the cotton-growing people came from the cotton States into our State, following that industry. They are the ones who brought it about, not the people who have lived there.

Mr. CRAWFORD. Then the adoption of this bill, as here proposed, would have a tendency to upset the plans the people have under way with reference to cultivating lands which will be brought in by new irrigation projects?

Mr. ELLIOTT. Yes. On one hand you ask us to cut down production, and on the other hand you ask us to provide additional jobs. I am looking at it from the standpoint of trying to take care of the laboring class as well as the farmer.

[Here the gavel fell.]

Mr. DOXEY. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON of Texas. Mr. Chairman, I know each one of you is tired almost to the point of exasperation, but there is something with reference to this bill which is desperately important in my district, and I should like to talk with you about the situation a few minutes.

If you will permit, I will get down to brass tacks and turn over to page 6 of the bill and read the following, beginning

with line 17, having reference to the cotton acreage allotments on individual farms:

The allotment to any farm on which cotton has been planted during at least one of such years shall be that proportion of the farm allotment which would otherwise be made which the number of such years bears to five.

In other words, this bill provides that if a cotton farmer in the cotton country has put his land into cultivation and has had it in cultivation only 1 year, his acreage allotment will be just one-fifth of the allotment to be received by his neighbors within that county. If his cotton farm has been in cultivation only 2 years, then his acreage allotment will be two-fifths the allotment of his neighbors on farms of the same size in the county which have been in cultivation as many as 5 years. I think this is distinctly unfair, un-American, and totally indefensible. I want to put every cotton farmer in the county on the same dead-level of equality. I want to amend this section of the bill by striking out the portion which I have read to you and give every cotton farmer within the county, regardless of the length of time his land has been in cultivation, the same uniform basis of allotment.

Let me explain to you how this bill is going to operate in my district and in some other districts. Seven out of ten cotton farmers in the Cotton Belt are tenant farmers.

They move from year to year from farm to farm. The situation which is going to exist under this bill is this: Here is a tenant farmer who rents a farm which has been in cultivation for 1 year. Here is another tenant farmer who rents a farm which has been in cultivation for 5 years. The man who rents the farm which has been in cultivation 5 years receives an acreage allotment five times that of the man on the adjoining farm, though they are both good American citizens, living in the same community, and perhaps across the road from each other. This is unfair and contrary to every principle of equality under the law.

Cotton is the main cash income crop in the cotton belt. The farmer's cotton production and allotment is just another way of describing his chief cash income—his wages, so to speak, yet under this bill we would reduce the income of one farmer to the point of one-fifth of the income of his neighbor, and the Lord knows the income of the best of them is little enough.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MAHON of Texas. Let me proceed just a moment and then I will be pleased to yield. I happen to know that my friend, the gentleman from Michigan, understands this situation and would like to see a fair basis of allotment worked out for all agricultural producers in every State from Michigan to Texas.

Suppose we should pass a law providing that in Washington owners of apartment houses who had operated their apartment houses for 5 years or longer should receive five times as much rent per month as apartment-house owners who had operated their apartment houses for only 1 year. Not one person in Washington would maintain that such a ridiculous proposal was constitutional or fair.

If a rule is fair to cotton farms, it ought to be fair to cotton textile mills. Everyone is familiar with the great problem of overproduction by textile mills. Would it be fair to put all textile mills on a quota and give the mills which had been in operation 5 years a quota five times as large as textile mills that had been in operation only 1 year?

We have overproduction of oil, so we have proration of oil production. So far as I know, no one has been so unfair and un-American as to propose that oil wells which have been producing for 5 years and have perhaps already made millions of dollars for their owners shall receive a production quota five times greater than oil wells which have been producing for only 1 year.

Cotton, as I have already said, is the money crop on the farms of my district. In other words, the income from cotton represents the wages of the farmer.

Let us say, for example, that on one side of a street is a factory that has been in operation for 5 years, and on the other side of the street is a factory that has been in operation only 1 year. What man among us would suggest that a laborer doing identical work in the 1-year-old factory should receive only one-fifth as much as a laborer who worked in the 5-year-old factory? Yet this is the principle which this bill would advocate for making cotton allotments to cotton farmers.

Most agricultural districts in the United States have been fully developed for many years. I represent an agricultural district which is in the process of development. In other words, my district is in the minority. My farmers, insofar as voting strength is concerned, are at the mercy of this Congress.

What difference should it make whether a farm has been in cultivation 2 years or 200 years? It would seem that in this land where the Declaration of Independence is taught in the schools and where its principles are professed by public officials that a farmer who has farmed a farm for 1 year or 100 years ought to be treated on the same dead level of equality with every other farmer.

Henry Van Dyke said in reference to Europe:

I know that Europe's wonderful, but something seems to lack. The past is too much with her and the people looking back.

Insofar as new land and new farmers are concerned, this bill is a backward-looking bill. I like to think of America as a forward-looking country. It is humiliating to me to picture the Government of my native land pointing its finger to a poor tenant farmer in ragged overalls and saying to him and his timid and frightened little family, "The farm which you have rented for next year hasn't been in cultivation but 1 year and therefore, next year you can plant only one-fifth as much money crop as most of your neighbors." I do not believe that Nero in his cruelest moment would have passed such vindictive judgment upon a helpless citizenry.

Oh, but it is said that this hardship upon tenants who work land that has been in cultivation for only a few years will last for only 5 years and that after that all will be well. Uncle Sam will pat this poor desperate tenant on the back and say, "Stay in there, boy, and after 5 years of discrimination and persecution we will treat you like an American citizen." But, of course, the poor tenant is already broke financially and long before the 5-year term of chastisement is over, his mental and moral back will already be broken, and in the language of an old friend of mine, he will be "relegated to the scrap heap of inconsiderable trifles." His name will be on the relief rolls and tragedy will take its toll in social degradation. His hungry and crying babies will torture his soul with the hopelessness of it all.

You could not expect a poor, bankrupt tenant cotton farmer to survive after the Government had had its heel on his neck for 5 years. Five years is a long time if measured in discrimination and want. Indeed, 5 years is a long time under any method of calculation. Why 5 years ago Hoover was President. Had the banks and the railroads and the capitalists of the country received no assistance for 5 long years they would have all been bankrupt. How can you expect a poor tenant farmer or a struggling farm family who are trying to buy a home to do what men of wealth and great resources could not have done.

The fact that there is a provision in this bill to help certain farmers who plant less than 15 acres of cotton will not really help in my district, as our farms average more than 160 acres in size. There is also a provision for new land, but I have no reasonable hope that new land will be treated any better than land in cultivation 1 year which is governed by the portion of the bill which I am discussing.

In many ways I think I represent the most wonderful district in the United States. It is out on the rim of the prairies, just south of the district represented by the distinguished chairman of this committee. In fact, the gentleman from Texas [Mr. JONES] until 4 years ago represented all of his district and 22 counties in my district. This was

because my district was sparsely populated until just a few years ago, as time goes. I did not move to the district myself until 1908. At that time it could have well been characterized as the land where "the deer and the antelope played." Much of the district was truly the dominion of the prairie dog, the coyote, and the cattle king. Between the 1920 and the 1930 census the population of the counties which now constitute the district which I have the honor to represent increased from 114,000 to 254,000, an increase of more than 100 percent. The increase in the number of farmers and in the number of acres in cultivation has been considerable from year to year. I would estimate that 500,000 new acres have been put into cultivation in the last 5 years. I would estimate that 2,300,000 acres were put into cultivation from 1928 to 1933. The Government program was not in existence from 1920 to 1933, but our growth was remarkable during that period. Farmers from some of the poor sections of the old South and from east Texas have come out to my district to farm as tenants or as land-owners. My district should not be condemned for this, nor should these farmers be persecuted by the Government. If they had not come to west Texas, they would have had to have lived somewhere.

I am not thinking so much about cotton and wheat and acres of land in discussing this bill. I am thinking about the human beings who live on these farms.

In one county in my district I believe about 1,800 people living on cotton farms will be ruined economically. The number in several other counties in my district will be as great or greater. I think if a farm bill is not going to be helpful it certainly should not be definitely destructive.

[Here the gavel fell.]

Mr. DOXEY. Mr. Chairman, I yield the gentleman from Texas 3 additional minutes.

Mr. MAHON of Texas. Unless you amend this bill as I have suggested, I believe that at least 18,000 people in my district will be very adversely affected by it. If you refuse to amend this bill and treat all cotton farmers in a given county on the basis of equality, I know that next fall I will have many experiences about like this: I will be on the streets of a little town and a farmer friend will come up to me and say, "George, I just got one-fifth as much money crop on my farm as my neighbors. I am broke, my children are hungry. They have no clothes, they cannot go to school and church, they need medical attention, and my wife is heartbroken. Who did this to me? Who passed such an unfair measure as to give one man five times as much in one community as another man?" What am I going to say to him? I am going to have to bow my head and say, "This was done to you over my bitter protest by the greatest legislative body on the earth, the Congress of the United States." There will not be just one man like that. There will be hundreds of them. I am appealing to this Congress to prevent this disaster and save these defenseless people from ruin.

Most agricultural districts in the Cotton Belt do not have this same problem. This situation, I think, exists in the district of the gentleman from Missouri [Mr. ZIMMERMAN], to some extent. I think this same situation also exists, perhaps, in the district of the gentleman from Arkansas [Mr. DRIVER].

We have not the voting strength to save these people, but I appeal to you in the name of justice to save these people from ruin. I hope this great Committee on Agriculture will help us. I am not appealing for the big speculative farmer with a fleet of tractors and thousands of acres which he works without tenants. I am appealing to you for that great majority of farmers who are either tenants or who are trying to buy a little farm home.

Imagine this situation. A west Texas boy has grown up on the farm. He has married, and his father says, "Son, there is no longer a place on the farm for you." The son tries to rent a farm, but he cannot. Finally with the help of his father he makes a down payment on a new farm and puts it into cultivation. After all, he had to live somewhere. Let us say his farm has now been in cultivation 2 years. Unless this

bill is amended the Congress is going to say to this boy and his wife and baby, "You can only receive two-fifths of the cotton acreage allotment which your father is receiving on his place. It is true that your father has paid for his farm, that you have not, and that your taxes are heavy, but we are just going to destroy you in the beginning of your career. We are going to drive you to the relief office. We are going to exterminate you."

My friends, if there is anything fair in such a principle or such a practice, I fail to see it. When this bill is read for amendments, I am going to count on your help in a righteous cause. Equal justice under the law is all I ask. [Applause.]

Mr. DOXEY. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Chairman, the situation at this juncture reminds me of the story of the man at a public meeting who had but one auditor left. He asked him what caused him to stay and the man replied, "Why, I am the next speaker." Our ranks have been thinned down to the veterans who can stand punishment. I know that after the impassioned and eloquent appeal they have just heard from my friend from Texas [Mr. MAHON] they need to hear something from a real dyed-in-the-wool crop controller.

Mr. Chairman, so far as I can determine, the new legislation in this bill affects my district to only a very limited degree. The area produces no cotton, tobacco, or rice; sugar, a major crop, is provided for in the bill passed at the last session of Congress; potatoes, next in rank, have lately been put under a marketing agreement as the result of a referendum taken by the growers.

The remaining crops in the bill are corn and wheat. My State is outside the Corn Belt in the bill—that is, the "commercial corn-producing area"—and is not affected by the corn quota. Corn may be raised in Colorado subject only to the Soil Conservation Act if the grower wants the benefits under that act. On wheat there is no commercial wheat-producing area. Should a wheat quota be put on, it would be national in scope, with farms producing less than 200 bushels exempt. If and when a quota is put on, growers must comply in order to get Soil Conservation benefits, as they now do.

While my State is directly affected only to a limited degree, nevertheless I am deeply interested in the entire scope and type of this legislation. This interest is evidenced by my support of every farm measure which has come before Congress since March 4, 1933. That program was not a rubber-stamp program. It is true that the first step in the program, the Agricultural Adjustment Act, was an administration-sponsored measure, but it was passed by Congress almost unanimously, and with the support of more than 50 farm organizations, including all the large farm organizations.

The cotton, tobacco, and potato bills were congressional measures, not sponsored or favored by the administration. They were demanded by the growers and passed at their instance. While the original sugar bill may have come from the Department, it was virtually redrafted by Congress to meet the views of the domestic industry, and its enactment was due to the support of all factors involved. The same is true of the present Sugar Act.

But, regardless of the authorship of the farm measures passed by Congress the past 5 years or the crop involved, I have supported all the legislation because it was all of a pattern, based on the same philosophy, and I felt that a Member should support all of it or oppose all of it.

Mr. Chairman, in the limited time allotted Members for general debate I cannot undertake a detailed discussion of a bill of 86 pages. I shall therefore confine my remarks largely to the objective of the bill, which is parity prices for agriculture, to be achieved mainly through crop control, bringing production into balance with consumption, and the need for such legislation. The bill is probably as well devised in control methods as could be worked out of conflicting proposals to attain an objective upon which all parties agree—the establishment and maintenance of parity prices for certain basic national farm commodities measured

by the things which these commodities must buy. Parity is essential to a prosperous and stable agriculture. The question is how to attain and maintain it.

That it is a question of enormous difficulty is evidenced by the fact that only twice in our history has such a parity existed, and then only by accident; once in the first decade of the last century and again in the period 1909 to 1914, selected as the base period in this legislation as in the other farm bills. If there are methods by which the desired stabilization may be effected or approximated and upon which methods a majority of the farmers of the country acting in an organized way, and a majority of the representatives of the people in Congress, and the responsible officials of the Federal Government, in large part agree, such methods ought to be tested, even though they may prove erroneous.

If we can only make progress by trial and error, trial and error let it be. It was shown by the experience of the Federal Farm Board that stabilization could not be brought about by the Federal Government taking hundreds of millions of bushels of grain off the hands of the farmers and storing and dealing in these surpluses in the markets, with the surpluses hanging as a threat over the market while the farmers who were being thus aided were permitted to continue to produce additional surpluses. Let us accept the experience of the Farm Board as well worth while and see what was lacking and whether it may be remedied.

I am no new convert to the theory of crop control and I want to confirm this by a few brief quotations. In July 1932 I published this statement:

New and revolutionary methods and appliances in business, industry, and agriculture are rapidly and permanently displacing the manpower of society. New methods must be devised to make the manpower of society a self-sustaining charge upon the system and the machine if our civilization is not to become chronically pauperized and our economic structure collapse.

From the CONGRESSIONAL RECORD of May 26, 1933, I quote:

The displacement of labor, both skilled and common, by the system and the machine is so obvious that it is known by the man in the street. It is less obvious but none the less true that the machine is putting the farmer out on the highway as rapidly as the laborer.

I quote again from the CONGRESSIONAL RECORD of August 5, 1935:

Production in both industry and agriculture must be regulated and they can only be regulated through the exercise of national powers.

From the CONGRESSIONAL RECORD of January 23, 1936, I again quote:

Permanent large-scale unemployment in industry and surpluses in agriculture are fixed conditions in our economic life. The sooner the American people face and admit these facts the sooner we may work out answers to these problems, which must be worked out if our industrial and agricultural populations are not to remain just as they are today, dependent on Federal aid raised by mortgaging the future.

I know there is a school of thought that there is no such thing in a long-range period as agricultural surpluses. It is maldistribution. It is lack of consumer buying power. It is a temporary period of plenty followed by a temporary period of scarcity, which balance each other. To my mind that school of thought is thinking in terms of the "horse and buggy" days in farming; of the man behind the plow. Mass-production by machinery, improved seed productivity, fertilization, more intensive and scientific methods of cultivation, have brought the farming technique more into the field of modern industry rather than of conditions in the days of the man behind the plow. Agriculture has been industrialized. A hundred years ago it took 80 percent of the people to feed all the people. Now 30 percent are more than doing it.

I read a most remarkable article about a year ago in a little magazine, a startling thing, almost terrifying, entitled "Chemistry Wrecks the Farm." The authors of this article undertook to show that while about 30 percent of the people of this country are now engaged in producing its food supply, that work could be done by 20 percent. Yes,

by 15 percent, before a great many years pass. Only yesterday the gentleman sitting there, the gentleman from Minnesota [Mr. ANDRESEN], showed that in the Cotton Belt, with 12,000,000 acres less in production than during former crop periods, they produced 18,000,000 bales of cotton this year, an all-time record crop. This afternoon on the floor the gentleman from Virginia [Mr. FLANNAGAN] showed that this year, with less acreage than was in cultivation under the tobacco bill, they have produced a heavier yield. Those things are going on in every field of agriculture, a continuing development of production per acre. In the agriculture of today, and more so in the agriculture of the future, the production of uneconomic surpluses will attend uncontrolled, unregulated farming, but a farming which is being scientifically educated in increased production. I see no escape from this.

Is the only alternative to this condition letting Nature take its course? Even in 1937, with major floods in some parts of the country, with drought that made other parts a desert, with insect pests in 22 States, surpluses have been produced in every basic farm commodity included in this bill. Indeed, these surpluses, the very pressing incentive of this legislation, are what called this special session of Congress into being.

We had sporadic disaster in 1937 but not enough of it. It is the very irony of farm life that farmers must depend upon disastrous visitations of Nature for fair crop prices; that it is good news in one area that drought or flood or pests have destroyed or damaged the crops in another. The markets go up on the good news of a bad crop and go down on the bad news of a good one.

Time and again I have expressed the opinion that the first bumper crop would break down the markets. In 1937 a near-bumper crop broke them down even before the crops were out of the ground. And today, we are almost where we were when in June 1933 we passed the Agricultural Adjustment Act, the first well-thought-out attempt to control and regulate crop production, limiting the legislation to a half dozen national basic commodities. Of that legislation a great national farm organization said at Chicago in December 1935 that it was the culmination of 12 years of struggle on the part of the farm organizations of the United States, and they dedicated themselves to its maintenance and improvement. Thirty days later the Supreme Court held it unconstitutional.

This bill and the Soil Conservation and Domestic Allotment Act of 1936, which is amended and made permanent in this act, are attempts to beat back, to use a sea term, as nearly as may be to the principles of the A. A. A., while keeping off the rocks of the A. A. A. decision. They are oblique attacks upon an objective which the A. A. A. took by a frontal assault and which, had it been permitted to survive, could have had grafted upon it whatever of the Soil Conservation Act or of this legislation might be considered an improvement.

It is complained that the Soil Conservation Act and this legislation are complicated and difficult of understanding and administration. Conceding this criticism to be true—and it does look as though some of these quota formulas raise agriculture above the three R's into the realm of higher mathematics—critics overlook the significance of the fact that in the fifth year of this administration we are confronted as persistently as in the first year with the same great problem of agriculture and as persistently as it confronted the preceding administration—great crops bringing the producer less than the cost of production, less than a living. I have not expected that any substitute will be as good as the simple plan of the A. A. A. How simple it was may be better stated in the language of Justice Stone in his dissenting opinion on the A. A. A. decision. Said Justice Stone:

The method may be simply stated. Out of the available fund payments are made to such farmers as are willing to curtail their productive acreage, who in fact do so, and who in advance have filed their written undertaking to do so with the Secretary of Agriculture.

The pending legislation is at bottom designed to circumvent a decision which was clearly intended not only to invalidate the A. A. A. but to checkmate the attainment of its objective of parity prices by any governmental methods whatever. I say this advisedly, after having carefully reread the majority and dissenting opinions in that case. Had I anything to do with the drafting of this legislation, I could have added nothing to its involved mechanics; but I could have taken the position that the Court might modify the basis of its decision, which was that the powers exercised by Congress to control production was an invasion of States' rights. The decision did not turn on the levy of the processing tax or upon its expenditure.

The decision turned upon the proposition that the stated purpose of the act (I quote)—

Is the control of agricultural production, a purely local activity in an effort to raise the prices paid the farmer?

On the tax feature the Court said—I quote:

It does not follow that, as the act is not an exertion of the taxing power and the exaction not a true tax, the statute is void or the exaction uncollectible.

The act invades the reserved rights of the States. It is a statutory plan to regulate and control agricultural production, a matter beyond the powers delegated to the Federal Government.

I say that in the light of recent decisions of the Supreme Court I would, as a part of this legislation, as a separate title, reenact the A. A. A. In its recent series of decisions the Supreme Court held that a pants factory in Richmond, Va., was an interstate industry. It had formerly held that the great basic industries of the country, manufacturing, mining, steel, were only local activities, beyond the jurisdiction of Congress, but in the decision sustaining the Wagner Labor Relations Act all these limiting decisions went off the books. In the decision sustaining the Social Security Act, the recent prior decision invalidating the Railroad Retirement Act, an incomparably more limited act, went off the books.

These two decisions swallowed in gulps all prior decisions in the fields of industry, labor, and social security. The A. A. A. would be only one more gulp, with its justification well laid in the able dissenting opinion of Justice Stone. The concluding paragraph of that dissenting opinion will be a future classic of American jurisprudence as a rule defining the respective jurisdictions of the legislative and judicial departments. Every Member should reread it.

Now, all parties agree on the objective of parity prices, and the overwhelming weight of opinion is for crop control as the main method of accomplishment. The action of the committees of the two Houses reflect this opinion. The chief controversy over this legislation has raged around the question of compulsory versus voluntary control. While there are some differences in technique, both the Senate and House bills lean heavily on compulsory control, when the quotas go in effect. I will notice in a moment just how compulsion is effected. The decision in A. A. A. declared even voluntary acceptance of benefits to be compulsory, economic compulsion. The Government was hung on either horn of the dilemma.

If a plan could be voluntary, I would favor it. I am at bottom an individualist who accepts Government control because individualism no longer exists in the economic world. If voluntary control were practicable, this legislation would be superfluous. The fact that the legislation is here proves that it is not practicable. The 6,000,000 units comprising agriculture cannot function unaided and unsupervised by government. Each must go his separate way, destroying his own values as well as the values of his neighbors. There must be sanctions; provision for securing conformity; rewards or penalties or both. This legislation carries both.

Now, I want to show why, if it is compulsory, I am still for it. Critics of the A. A. A. and of this legislation never stress the fact that the former law and this law can only be made operative by the votes of not less than two-thirds of the farmers in each affected field. If that is not democracy, what is? Any time one-third of the wheat or corn or cotton or tobacco farmers vote against the plan, it ends. I call that

democracy plus. Indeed, it is minority control against the plan.

The agricultural extension service in my State told me that in 1935, the last year of the A. A. A., 97 percent of the farmers signed the contracts. The director called it practically unanimous. It was much the same the country over. Democracies operate through majorities, but this legislation places the protection of minorities under the two-thirds rule. My right to a seat in this body can be decided by 1 vote out of the 130,000 votes that will be cast on it. The next President of the United States can be elected by a majority of 1 in the electoral college. The Supreme Court by a majority of one may invalidate this law. A bare majority of the stockholders in any corporation may elect its entire control. In every one of the multitudes of organizations in the fields of finance, commerce, industry, labor, and every other activity majority rules govern. If two-thirds of the farmers of the United States, acting freely and voluntarily, decide upon a course of action as beneficial to the industry, what is there that so distinguishes it from all other activities that the rule may not properly apply? These two-thirds will be found to comprise the thinkers of agriculture, the leaders, the progressive elements, who want to introduce some order and stability in their business too. They have seen it done and done to their cost by the organized elements of society with which they deal. They are late in learning the lesson, but the A. A. A. gave unmistakable evidences that they are learning.

As was pointed out in the A. A. A. case, no farmers were bringing suits or appearing in court asking that the law be invalidated. They had so overwhelmingly accepted the law and so beneficially that it is not too much to say that by this time its acceptance would have been universal.

Let me say one thing more about the Triple A, a thing that has puzzled me deeply. It was emergency legislation, they say. It helped agriculture but it was emergency legislation. Emergency is stressed as something discrediting, something to be gotten away from as speedily as possible. But I have never been able to rid my mind of the question why, if the Triple A was able to pull agriculture out of the hole, some use could not be made of it to keep it out. I have never been able to find a satisfactory answer to the question why, having rescued agriculture, it was so bad it had to be altogether discarded.

In the light of the Soil Conservation and Domestic Allotment Act and in the light of this act, I am likely never to find a satisfactory answer. As I said at the outset we are attempting to beat back toward it. We are providing an additional safeguard in what is called the ever-normal granary, softening the blow to the producer in fat years and to the consumer in lean years. I am for it with a reservation. The reservation is whether it can be administered without constituting a threat over current production, exerting a depressing influence on crops from year to year. Large surpluses, however safeguarded, will still be surpluses. I doubt whether unrestricted export of surpluses at any price would work satisfactorily, greatly cheapening, as they would, raw materials to foreign manufacture. Hence the necessity for quotas. I favor the normal granary, however, as a worthwhile experiment and because it is advanced by men of vastly greater knowledge and experience than mine. I am going to support this legislation, not only in the hope but in the belief that it will advance agriculture toward a goal to which it is not only entitled, but which it must achieve if agriculture is to attain its rightful place in the national economy, a place in which the food grower of the Nation will be assured as far as humanly possible of the cost of production and a reasonable profit for the food he grows.

There remains the important item of cost. It goes without saying that this objective should be realized without making agriculture a permanent charge on the Treasury. I agree with the majority leader in the other body that if this legislation proves a means to the end, it will be money well spent, even though the initial cost should prove to be \$700,000,000 per year. But nobody could claim the plan to be a

success if it should eventuate that a government subsidy must be permanent. It is intolerable to contemplate such a permanent status for the very basis of our national existence. Its cost to government, however great, would be a minor item compared with its loss in the basic American values of citizenship, of manhood and womanhood. If I thought that the final solution of the farm problem was a permanent Government subsidy, I would have little heart for this legislation, which I view as a necessary step in rescuing agriculture from the unforeseen changes and handicaps brought on it by the revolution in all fields of industry, and from which they, too, are suffering. Agriculture, too, must be organized, it must be regulated and controlled, if it is to survive under its own power.

One thing more, Mr. Chairman, I am opposed to criminal sanctions or penalties of any kind against farmers in this legislation, and I cannot say that I have any fixed opinion in favor of even civil court action against them. The forfeiture of benefits ought to be sufficient. If sufficient numbers of them refuse the benefits and stay out, it will have reached the breaking down point anyhow. I believe it would be a wise approach in this legislation to discard any provisions which bring the farmer into court. Such provisions may serve chiefly as clubs in the hands of enemies of the legislation. Let us prescribe the rules of the game and give the farmers a chance to play it.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. DOXEY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. ANDRESEN of Minnesota. Will the gentlemen yield?

Mr. MARTIN of Colorado. I yield.

Mr. ANDRESEN of Minnesota. This is an emergency session of Congress and was called because of the peculiar emergency in agriculture—falling prices. We are all interested in doing something for it. This bill proposes a compulsory control program, having in mind to control production and raise the price level. It is an immediate emergency and something should be done. Does the gentleman know that this control program is not contemplated to go into effect in 1938; that it will not take effect until 1939, and what I want to ask the gentleman is, if he knows that, what are we here for in this special session if we cannot do something at once?

Mr. MARTIN of Colorado. Frankly, if this legislation is not to go into effect in 1938, we are here for no purpose.

Mr. ANDRESEN of Minnesota. That is correct.

Mr. MARTIN of Colorado. The legislative council says the bill can be put in effect on corn, tobacco, and rice in 1938, because the time for acreage allotment has not run, but that as to cotton and wheat the time has expired.

[Here the gavel fell.]

Mr. DOXEY. Mr. Chairman, I yield 10 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK of Arizona. Mr. Chairman, right legislation dealing with the Nation's farm problems is so complex as to bewilder the angel Gabriel.

I am surprised that the House Agriculture Committee has done as well as it has in this bill.

Let me also express deep appreciation for the work of Chairman Jones' committee.

There is a conflict between two radically different philosophies concerning this matter. Should we go the road of crop control and reduction, or shall we go the road of a more abundant production? If the former road is correct, then this bill, somewhat modified, is probably as satisfactory as we can reasonably expect to get.

Yesterday I asked the distinguished chairman of the House Agricultural Committee whether, in his judgment, the language "trends in acreage" would give the Secretary some leeway to adjust the acreage upward in certain States and counties where a new development in cotton culture was taking place and ought to be encouraged. I was gratified by the affirmative reply given by Chairman JONES. However, this matter is so vitally important to my district that I feel that

the bill should contain a more explicit provision by way of a definition. Therefore I propose at the proper time to move an amendment to H. R. 8505, on page 13, after subsection 8, to insert a definition of this term "trends in acreage."

Mr. Chairman, there are many small farmers and farm home owners in Arizona, in west Texas, and in California, some of whom came from the Dust Bowl of the Middle West, attempting now to get a new start in life in the far Southwest. These men have been taming the desert and planting cotton for the last few years on land that has never been tilled since the day of the prehistoric peoples, a thousand or 2,000 years ago. Unless this bill is properly and humanely modified in their interest, these beginning cotton farmers in Arizona and in certain other parts of the country will be forced out of this productive work and in some cases forced onto relief by the rigid requirements of the act before us.

I know, of course, that we cannot reduce cotton production without hurting somebody, but I am begging for those courageous yeomen who are making such brave efforts in a new land, and I am asking that they be spared a stunning blow when the same results may be obtained by a reduction over a much larger area. Over this larger area the necessary pinch will be imperceptible. The saving of 70,000 acres to present struggling home owners in Arizona is almost a matter of life and death to those farmers, whereas the shifting of the burden to the entire "cotton empire" would be unnoticed. It is a small thing that I ask of the millions of American cotton farmers, so to adjust the reduction of cotton as to save the homes of the comparatively few who are bravely making a new start in a new land.

My aim is to so define the term "trends in acreage" as to save the comparatively few cotton farmers from utter loss with no appreciable added burden to the very many farmers in the old established sections of the country.

The following is the amendment I wish to offer and to discuss further under the 5-minute rule:

PROPOSED AMENDMENT TO H. R. 8505

Insert new subsection (9) to section 7 at page 13:
 "The term 'trend in acreage' as applied to cotton shall mean for adjustment purposes, that, if in the next preceding year there has been an increase in planted acres of more than 10 percent over the average of the previous applicable years in any State, county, or subdivision, then the number of planted acres in such next preceding year, plus the acreage diverted under previous agricultural adjustment and conservation programs, shall constitute the acreage upon which the quota is determined for such State, county, or subdivision."

I yield back the remainder of my time, Mr. Chairman.

Mr. DOXEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 8505) to provide for the conservation of national soil resources and to provide an adequate and balanced flow of agricultural commodities in interstate and foreign commerce, had come to no resolution thereon.

Mr. BEITER. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes in order to make a statement.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BEITER. Mr. Speaker, I have placed on the desk a petition calling for the discharge of the Ways and Means Committee from further consideration of my bill to amend the Revenue Act of 1936 to provide an exemption from the undistributed-profits tax, known as H. R. 4594. I introduced this bill on February 10, 1937, and Senator KING, of Utah, introduced a companion bill in the Senate at the same time. I might add that these were the original and first bills introduced in the Congress for this purpose, so far as I am aware. Since that time and during this special session abolishment of the tax on undistributed profits has been

put forth as a means of encouragement to business, and the movement to have my bill enacted, or a similar bill, has daily gained momentum.

A number of proposals designed to curb the present industrial recession have been submitted to the Congress recently. It is said, however, that no legislative action to amend the revenue act can be expected before the regular session in January. Since we are gathered here in special session there seems to be no real reason why we should not carry through this drive for modification or complete repeal of this tax at this time. If no action in this connection is taken at this session by Congress, corporations will be forced to pay a tax on their profits on March 15 or distribute them among their stockholders. If, on the other hand, we enact legislation now to ameliorate the tax on undistributed profits these corporations can be expected to expand, thereby furnishing private employment to great numbers of workers. I believe that the enactment of my bill would develop a great volume of private construction and relieve the Government of large expenditures in developing work at public expense for the unemployed.

It may be argued that this will cause a serious loss in revenue to the Government, but it must be remembered that the maximum tax at the present time on undistributed earnings amounts to 27 percent. If these earnings are applied to construction projects it means that the Government is relieved of developing this amount of employment and private industry will be paying 100 percent of the cost. In other words, the Government will benefit directly four times over.

Likewise it cannot be said that the Government will actually lose tax revenues. Certainly every manufacturer of machinery and durable goods would naturally sell the same at some margin of profit and thus, through the normal income tax thereon, passing all the way down the line to the producers of the semiraw and raw materials, would, in due course, return to the Government a substantial increase in their payments; thereby to a considerable extent offsetting any first loss of revenues.

I know of many instances where manufacturers have prepared to go ahead with improvements, but have refrained from doing so upon being acquainted with the fact that under the law as it now stands no deductions are possible for such new construction when paid from earnings. There are many little business concerns in this country today that need to grow to keep going—it is little business, and not big business, that is the chief victim of this tax.

My bill has the endorsement of the American Federation of Labor, the Associated General Contractors of America, the American Association of Engineers, the National Association of Manufacturers, and numerous other associations and organizations throughout the country. Do not continue to strangle these concerns; give them relief now. There is no necessity to wait until January. Sign the petition to bring my bill out on the floor for a vote and start the revival of prosperity. Time is vital. The job should be done now. Do not delay.

CALENDAR WEDNESDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday this week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from South Carolina [Mr. FULMER] may extend his remarks in the RECORD on the subject of the State of South Carolina.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BIERMANN. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a speech I

made before the National Oil Marketers' Association in Chicago.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article written by me appearing in the current issue of the American Building Association News on the bill H. R. 6929, a bill I introduced and which is now pending before the Committee on Banking and Currency.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. RUTHERFORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter from the small manufacturer.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in another extension to include a radio address I delivered yesterday.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

RESIGNATION FROM COMMITTEES

The SPEAKER. The Chair lays before the House the following resignation from committees:

NOVEMBER 30, 1937.

The Honorable WILLIAM B. BANKHEAD,

Speaker of the House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: May I respectfully tender to you my resignation from the following committees: Rivers and Harbors; Coinage, Weights, and Measures; Patents; Elections, No. 2.

The Ways and Means Committee has given me the honor of making me a member of the Committee on Foreign Affairs. I wish to express to you my appreciation of the many courtesies that the chairmen of these respective committees have shown to me. I leave these committees reluctantly but gladly accept the honor of a membership on the Foreign Affairs Committee.

With appreciation of your countless kindnesses, I am,

Respectfully yours,

JOHN MCSWEENEY.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

Mr. MURDOCK of Arizona. Mr. Speaker, I ask unanimous consent to include in the remarks I made earlier this afternoon a proposed amendment.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DREWRY, indefinitely, on account of illness in family.

To Mr. DALY, for 1 week, on account of illness.

ADJOURNMENT

Mr. DOXEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 20 minutes p. m.) the House adjourned until tomorrow, Wednesday, December 1, 1937, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Merchant Marine and Fisheries Committee will hold a public hearing on H. R. 8532, to amend the Merchant Marine Act, 1936, to further promote the merchant marine policy

therein declared, and for other purposes, in room 219, House Office Building, on Thursday, December 2, 1937, at 10 a. m.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization in room 445, House Office Building, at 10:30 a. m., on Wednesday, December 1, and Thursday, December 2, 1937, for hearing on H. R. 8349, for executive consideration of cancelation of citizenship of certain naturalized persons.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Sales Tax Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 o'clock a. m., Wednesday, December 1, 1937. Business to be considered: To continue hearing on H. R. 4722 and H. R. 4214.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

849. A letter from the Acting Secretary of Interior, transmitting a statement in duplicate consisting of five schedules of costs, cancelations, and other data with respect to irrigation projects as compiled to the end of the fiscal year June 30, 1937; to the Committee on Indian Affairs.

850. A letter from the Acting Secretary of Interior, transmitting the draft of a proposed bill to authorize the Secretary of the Interior to dispose of surplus buffalo and elk of the Wind Cave National Park herd, and for other purposes; to the Committee on the Public Lands.

851. A letter from the president of the Commission on Licensure Healing Arts Practice Act, District of Columbia, transmitting a report of the activities of the commission for the fiscal year which ended June 30, 1937; to the Committee on the District of Columbia.

852. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated September 22, 1937, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Pearl River, Miss., below Jackson, authorized by the River and Harbor Act approved July 3, 1930 (H. Doc. No. 408); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

853. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated September 22, 1937, submitting a report, together with accompanying papers and illustration, on a preliminary examination of Powder River, Oreg., with a view to control of its floods, authorized by act of Congress approved June 13, 1934 (H. Doc. No. 409); to the Committee on Flood Control and ordered to be printed, with illustration.

854. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated September 22, 1937, submitting a report, together with accompanying papers and illustrations, on a preliminary examination of Chickasawhay River, Miss., with a view to the control of floods, authorized by act of Congress approved May 6, 1936 (H. Doc. No. 410); to the Committee on Flood Control and ordered to be printed, with illustrations.

855. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated September 22, 1937, submitting a report, together with accompanying papers and illustration, on a preliminary examination of Six Mile Creek (also known in its lower reach as Short Mountain Creek), in Logan County, Ark., with a view to control of floods, authorized by act of Congress approved June 20, 1936 (H. Doc. No. 412); to the Committee on Flood Control and ordered to be printed, with illustration.

856. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated September 22, 1937, submitting a report, together with accompanying papers and illustration, on a preliminary examination and survey of channel connecting Plaindealing Creek and Oak Creek, Md., authorized by the River and Harbor

Act approved August 30, 1935 (H. Doc. No. 413); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

857. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated September 22, 1937, submitting a report, together with accompanying papers and illustration, on a preliminary examination and survey of Drum Inlet, N. C., near the town of Atlantic, authorized by the River and Harbor Act approved August 30, 1935 (H. Doc. No. 414); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

858. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated September 22, 1937, submitting a report, together with accompanying papers and illustration, on a preliminary examination and survey of Valdez Harbor, Alaska, authorized by the River and Harbor Act approved August 30, 1935 (H. Doc. No. 415); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

859. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated September 22, 1937, submitting a report, together with accompanying papers and illustration, on a preliminary examination of Crooked River, Oreg., with a view to the control of floods, authorized by act of Congress approved June 13, 1934 (H. Doc. No. 428); to the Committee on Flood Control and ordered to be printed, with illustration.

860. A letter from the Secretary of War, transmitting a letter from the Acting Chief of Engineers, United States Army, dated October 7, 1937, submitting a report, together with accompanying papers and illustrations, on the studies and investigations of an artificial beach at Orchard Beach, Pelham Bay, N. Y., made by the Beach Erosion Board in cooperation with the city of New York, acting through the department of parks, as authorized by the River and Harbor Act approved July 3, 1930, and the act of Congress approved June 26, 1936 (H. Doc. No. 450); to the Committee on Rivers and Harbors and ordered to be printed, with 10 illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 7803. A bill to amend paragraph (1) of section 96 of title 2 of the Canal Zone Code relating to method of computing annuities; without amendment (Rept. No. 1646). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1679) granting a pension to Sarah A. De Gross; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 4983) granting a pension to Mary Honig Schnepel; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FORD of California: A bill (H. R. 8547) to amend the Panama Canal Act; to the Committee on Merchant Marine and Fisheries.

By Mr. LEWIS of Maryland: A bill (H. R. 8548) authorizing the State of Maryland, by and through its State roads commission or the successors of said commission, to construct, maintain, and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State; to the Committee on Interstate and Foreign Commerce.

By Mr. DICKSTEIN: A bill (H. R. 8549) to deny United States citizenship to persons who believe in or advocate government by dictatorship; to the Committee on Immigration and Naturalization.

By Mr. BOREN: A bill (H. R. 8550) to divest certain activities of their interstate character; to the Committee on Interstate and Foreign Commerce.

By Mr. ELLENBOGEN: Joint resolution (H. J. Res. 522) to direct the Federal Trade Commission to investigate the effect of increase in freight rates on bituminous coal and coke on the consumption and production of coal and coke, on the use of substitute fuels, on the use of substitute methods of transportation, and on employment and unemployment in the coal industry and in related industries; to the Committee on Interstate and Foreign Commerce.

By Mr. SCOTT: Joint resolution (H. J. Res. 523) authorizing the President of the United States to suspend economic relations with Japan; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of New York: A bill (H. R. 8551) granting a pension to Isabelle Walton Prentice; to the Committee on Pensions.

By Mrs. HONEYMAN: A bill (H. R. 8552) for the relief of William F. Priest; to the Committee on Pensions.

Also, a bill (H. R. 8553) to correct the naval record of John B. Dolan; to the Committee on Naval Affairs.

By Mr. MAY: A bill (H. R. 8554) for the relief of Dewey Daniel; to the Committee on Claims.

By Mr. O'TOOLE: A bill (H. R. 8555) for the relief of Eugene Hansen; to the Committee on Naval Affairs.

By Mr. PACE: A bill (H. R. 8556) for the relief of Dorothy Anne Walker; to the Committee on Claims.

By Mr. PLUMLEY: A bill (H. R. 8557) granting an increase of pension to Julia Cowdery Walker; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 8558) for the relief of William Andrew Johnson; to the Committee on Pensions.

By Mr. TERRY: A bill (H. R. 8559) granting a pension to Jack Fisk Hopkins; to the Committee on Pensions.

By Mr. THURSTON: A bill (H. R. 8560) for the relief of Anna Poor; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3457. By the SPEAKER: Petition of United Federal Workers of America, Local 2, relating to a bill to prevent profiteering in time of war; to the Committee on Military Affairs.

3458. Also, petition of the International Union, United Automobile Workers of America, relating to the wage and hour bill; to the Committee on Labor.

3459. Also, petition of the United Mine Workers of America, Philadelphia, Pa., urging passage of wage and hour legislation; to the Committee on Labor.

3460. Also, petition of the National Lawyers Guild, New York City Chapter, New York City, relating to unemployment relief; to the Committee on Appropriations.

3461. Also, petition of the Barbers and Beauty Culturists' Union of America, affiliated with the Committee for Industrial Organization, urging enactment of housing legislation; to the Committee on Labor.

3462. Also, petition of the Public Affairs Association of Santa Monica Bay District, Ocean Park, Calif., relating to the antilynching bill; to the Committee on the Judiciary.

3463. Also, petition of the Philippines Post, No. 1164, American Legion, Brooklyn, N. Y., relating to Filipino World War veterans; to the Committee on Immigration and Naturalization.

3464. By Mr. BETTER: Petition of the National Maritime Union of Buffalo, N. Y., urging embargo on shipments to Italy and Germany until such time as armed forces of these

two countries are withdrawn from Spain; to the Committee on Foreign Affairs.

3465. By Mr. JARRETT: Petition of Mary W. Eccles and other ladies of Sharon, Pa., urging enforcement of Neutrality Act; to the Committee on Foreign Affairs.

3466. By Mr. CLASON: Petition of Jerome J. Doyle and other residents of Springfield, Mass., for the abolition of the privately owned Federal Reserve System and to restore to Congress its constitutional right to coin and issue money, and regulate the value thereof; to the Committee on Banking and Currency.

3467. By Mr. THOMAS of New Jersey: Petition signed by approximately 90 residents of Allendale and Ramsey, N. J., protesting against any increase of taxes on foods of any description; to the Committee on Ways and Means.

3468. By the SPEAKER: Petition of William Dudley Pelley, of Asheville, N. C., with reference to the Silver Legion; to the Committee on the Judiciary.

3469. Also, petition of the Lake County Industrial Union Council, East Chicago, Ind., with reference to taxation; to the Committee on Ways and Means.

3470. Also, petition of the Wyoming County Farm and Home Bureau Association, Gainesville, N. Y., with reference to their resolution concerning wage and hour bill; to the Committee on Labor.

3471. Also, petition of the Producers' Council, Inc., New York, N. Y., with reference to their resolution passed November 19, 1937, with reference to the National Housing Act; to the Committee on Banking and Currency.

SENATE

WEDNESDAY, DECEMBER 1, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, November 30, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Johnson, Calif.	Pepper
Andrews	Clark	Johnson, Colo.	Pittman
Ashurst	Connally	King	Pope
Austin	Copeland	La Follette	Russell
Bailey	Davis	Lee	Schwartz
Bankhead	Dieterich	Lodge	Schwellenbach
Barkley	Donahay	Logan	Sheppard
Berry	Ellender	Lonergan	Shipstead
Bilbo	Frazier	Lundeen	Smathers
Borah	George	McAdoo	Smith
Bridges	Gerry	McCarran	Thomas, Okla.
Brown, Mich.	Gibson	McGill	Thomas, Utah
Brown, N. H.	Gillette	McKellar	Townsend
Bulkeley	Glass	McNary	Tydings
Bulow	Graves	Maloney	Vandenberg
Burke	Green	Moore	Van Nuys
Byrd	Hale	Norris	Wagner
Byrnes	Harrison	Nye	Walsh
Capper	Hayden	O'Mahoney	White
Caraway	Hitchcock	Overton	

Mr. BARKLEY. I announce that the junior Senator from West Virginia [Mr. HOLT], the Senator from Delaware [Mr. HUGHES], and the Senator from North Carolina [Mr. REYNOLDS] are absent because of illness.

The senior Senator from Montana [Mr. WHEELER] is absent because of a death in his family.

The Senator from Washington [Mr. BONE], the Senator from Wisconsin [Mr. DUFFY], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from New Mexico [Mr. HATCH], the Senator from Iowa [Mr. HERRING], the Senator from Illinois [Mr. LEWIS], the Senator from Indiana [Mr.

MINTON], the junior Senator from Montana [Mr. MURRAY], the senior Senator from West Virginia [Mr. NEELY], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Missouri [Mr. TRUMAN] are necessarily detained from the Senate.

The Senator from Arkansas [Mr. MILLER] is detained on important public business.

The PRESIDENT pro tempore. Seventy-nine Senators having answered to their names, a quorum is present.

The Senator from Oklahoma [Mr. THOMAS] is recognized. Mr. THOMAS of Oklahoma. Mr. President, I yield for the purpose of the transaction of morning business.

PETITIONS

The PRESIDENT pro tempore laid before the Senate a resolution unanimously adopted by Philippines Post, No. 1164, American Legion (Kings County), Brooklyn, N. Y., favoring the enactment of legislation admitting Filipino World War veterans to unconditional American citizenship, which was referred to the Committee on Immigration.

He also laid before the Senate a resolution adopted by Local No. 161, Transport Workers' Union of America, Philadelphia, Pa., favoring the enactment of the wage and hour bill and other social legislation, and protesting against lay-offs of workers in the Philadelphia area, which was referred to the Committee on Education and Labor.

Mr. COPELAND presented the petition of members of Lodge No. 391, American Federation of Government Employees, Buffalo, N. Y., praying for the enactment of the so-called Flannery bill, being the bill (H. R. 6587) to extend the provisions of the civil-service laws to certain positions in the Department of the Treasury, which was referred to the Committee on Civil Service.

He also presented a resolution adopted by New York City Chapter of the National Lawyers Guild, favoring continuance of the public-works and relief program of the past 4 years in cooperation with State and local governments so as to care for the employment of surplus workers, which was referred to the Committee on Education and Labor.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. COPELAND introduced Senate bill 3073, which was referred to the Committee on Commerce, and appears under a separate heading.)

By Mr. McNARY:

A bill (S. 3074) granting an increase of pension to Jessie L. Kilgore (with accompanying papers); to the Committee on Pensions.

By Mr. SCHWARTZ:

A bill (S. 3075) to provide for the extension of time of segregation and reclamation in Wyoming segregation units, under the Carey Act; to the Committee on Public Lands and Surveys.

By Mr. BERRY:

A bill (S. 3076) granting a pension to William Andrew Johnson; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 3077) for the relief of Katie Walter; to the Committee on Claims.

REGULATION OF POISONOUS DRUGS

Mr. COPELAND. Mr. President, it will be recalled that, because of the great number of deaths resulting from the administration of elixir of sulfanilamide, the Senate requested the Department of Agriculture to submit a report. That report has been submitted, and, in accordance with the recommendation, I ask consent to introduce a bill to safeguard the public health as menaced by such poisons. The bill is known as S. 3073. Copies of it are available for any who are interested in the matter.

The PRESIDENT pro tempore. Without objection, the bill will be received and referred to the Committee on Commerce.

The bill (S. 3073) to safeguard the public health was read twice by its title and referred to the Committee on Commerce.